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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Nissan Targets Commercial Fleets

[illegible]ing For Less

[illegible] 3 Vans

[illegible]'s Auction Strategy

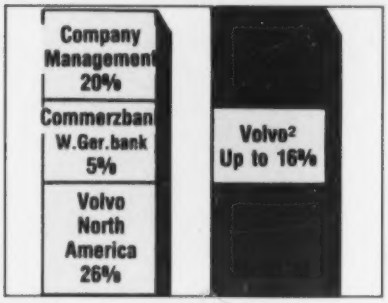
Fleet Expense Control

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

NOVEMBER 1989
VOL. 29, NO. 1

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.



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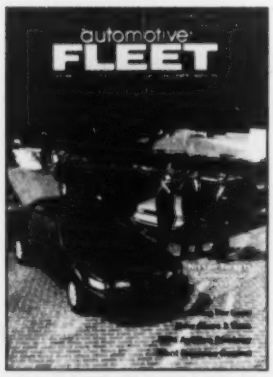

On the cover: Standing amid 1990 Nissans are Aaron Ashcraft (left), national fleet & leasing manager, Bob Thomas (center), vp & general manager, Nissan Div. and Thomas Mignanelli, executive vp-operations.

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Qualified commercial/leasing accounts will be eligible for an additional $100 incentive over and above any retail program, should the retail program provide greater benefits than this volume incentive program.

For federal, state, county, city, municipal, public utility, and government agencies making fleet purchases at qualifying levels, a per unit incentive of $1,000 will be applicable for Truck, Trooper, and Passenger Car.

The same price protection schedule and fast start bonus program apply for commercial, leasing, and government agency accounts.

Oldsmobile Names New Sport-Utility

The new four-door sport-utility vehicle to be introduced next year by the Oldsmobile division has been named the Bravada.

Average Oil Change Intervals In Thousands Of Miles

Business	4.8K
Utility	4.8K
Government	4.0K

In addition, nearly one-half (49%) of the government and over one-third of the utility (36%) and business (34%) fleet respondents change oil at 3,000 miles or less.

Grade of Motor Oil Most Commonly Used In Passenger Cars (by Fleet Classification)

	5W30	10W30	10W40	20W50	Other
Business	5%	63%	16%	N/A	16%
Utility	11%	27%	16%	5%	41%
Government	N/A	31%	28%	4%	37%

Types Of Fuel Additives Used By These Fleets That Authorize Their Use (by Fleet Classification)*

	Gasoline Antifreeze	Octane Booster	Carburetor Cleaner	Top Oil	Fuel-Inj. Cleaner	Diesel Conditioner
Business	43%	10%	19%	0%	62%	33%
Utility	30%	10%	50%	5%	60%	90%
Government	54%	12%	28%	16%	46%	67%

Source: Runzheimer *Totals exceed 100% due to multiple answers

The chart shown above outlines the results of a recent survey in which 181 fleet managers were asked about their policies for changing motor oil in fleet vehicles. Also, the use of additives was probed, as was the grade of oil used. Runzheimer International conducted the study.

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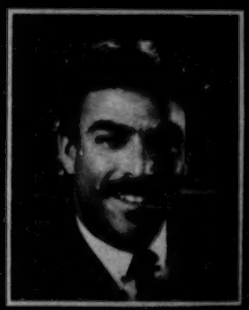

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Warren Young of Manheim Auctions presents a revealing picture of the auto auction industry, his company's role in the marketplace, the challenge to develop qualified management, and the continuing need to upgrade facilities.

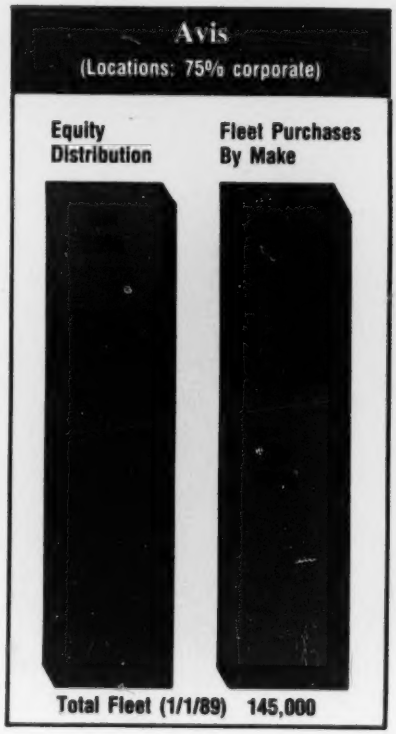
Today And Tomorrow In The Auction Industry

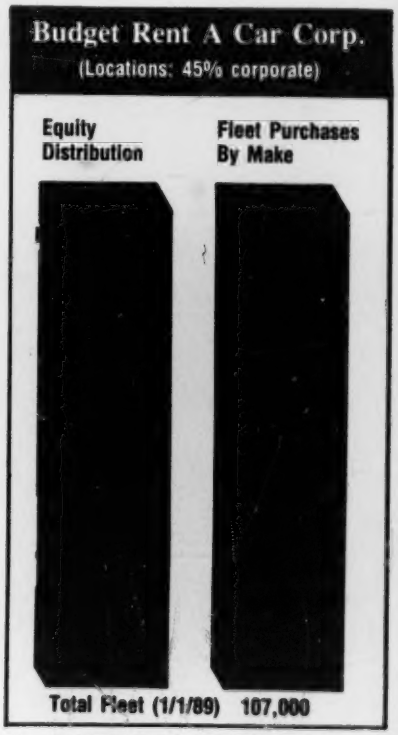
The following article was a keynote speech delivered by Warren Young, president and chief executive officer of Manheim Auctions, at the recent mid-year meeting of the Automotive Fleet & Leasing Association that was held at the Ritz Carlton Hotel in Atlanta.

It is estimated that the National Auto Auction Association members in 1988 handled somewhere near 10 million automobiles and sold almost $20 billion worth of cars.

Last year, Manheim handled almost 1,500,000 cars, and sales volume totaled $4.4 billion. Our compounded growth over the last five years exceeded 25 percent per year. Manheim operates 150 lanes of automobiles each week, and has over 900 acres of facilities, with a combined 800,000 square feet of buildings.

In addition, Anglo American Auto Auctions and GE Capital





[1]Includes GM, Toyota, Nissan and other imports
[2]Currently 2% of fleet (4,000 units)
[3]As of 10/89 "other makes" consists of Chrysler (12%), GM (8%), and Imports (10%).

Auto Auctions have contributed to improving the recognition and image of the auto auction industry.

Years ago, most auctions were very small, both in terms of size and in number of cars they ran. They were not well established and were known only to a limited number of dealers, primarily used-car dealers and wholesalers. Automobile auctions were in their infancy 30 years ago and the recognition given to auctions in those days was truly limited.

Today, with the help of the National Auto Auction Association, the auction industry has grown into an increasingly well organized business of highly ethical business men and women with a purpose — offering a service which is now recognized by almost all new and independent dealers, most fleet and lease companies, as well as the major manufacturers, General Motors, Ford, Chrysler, and a number of import manufacturers.

What's new currently is that the

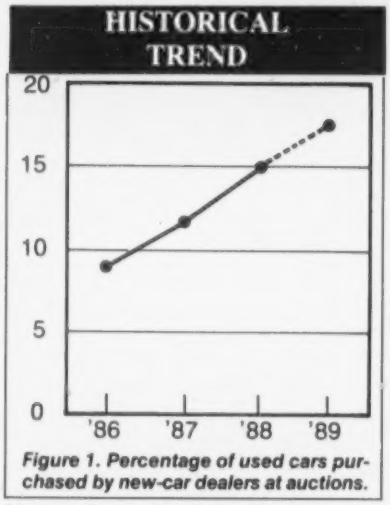


Figure 1. Percentage of used cars purchased by new-car dealers at auctions.

National Automobile Dealers Association (NADA) reports auction purchases by new-car dealers for their used-car inventories has jumped from nine percent in 1986 to 12 percent in 1987 and will probably reach 15 percent in 1988. (Figure 1). This has put auctions ahead of such traditional used-car sources as brokers, at eight percent, and street purchases at seven percent. Auction sourced used cars are even gaining on the dealers trade-ins on used cars which were 17 percent of used-car sales in 1987.

NADA also revealed that dealers' used-vehicle departments lead all other departments in percentage of increase in dollar sales.

More used cars are coming from the manufacturers to auctions, with estimates ranging up to 800,000 cars in 1989.

More lease and rental units are entering the used-car market directly, and more lease and rental units are going through auction.

More consumers are selling direct to other consumers, therefore, fewer trade-ins to new and independent dealers.

Over the last five years, there has been considerable pressure on auctions to increase their facilities both in size of the auctions and the size of the recon, and also to increase their capacity to store a large number of automobiles. This also has increased the required investment to

[4]As of 10/89 "other makes" consists of Ford/L-M (5%), GM (7%), and imports (8%).

[5]As of 10/89 "other makes" consists of GM (40%) and Ford Division (10%).

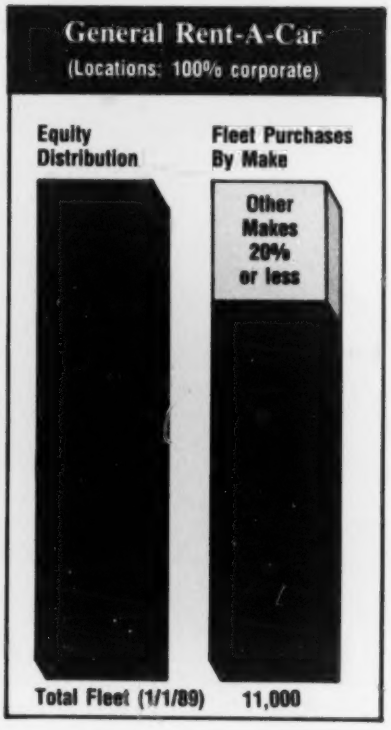
get into the auto auction business.

Also, there are more auctions in a given market today, with more competitive pressures on auctions to do better, supply better service, and to manage better. The Florida market is a good example. Ten years ago there were probably three or four auctions in the greater Central Florida area (Lakeland, Orlando, and West Palm Beach). Now there are 11 auctions in the same general area.

There have been many changes in the last few years, many of which have impacted auctions such as:

• The number of vehicles in U.S. fleets continues to grow and as of Dec. 31, 1988 was 10,160,000. More and more of these vehicles are going through auctions, primarily due to the advantage of better prices and shorter holding time by auction selling, and somewhat due to the credibility of odometer documentation provided by auctions.

• Fleet registrations accounted for 21 percent of the total registrations in the 1988-model year, and this will probably continue to increase as percent of total registrations.



The market for late-model cars is extremely soft with lower prices and cars not selling as well, partially due to the impact of the factory buybacks...

• In addition to fleet leasing, there are large numbers of retail leases. Ford dealers have 650,000 cars on retail leases, and GE Capital Auto Lease has another 225,000 cars in retail leases. A large majority of these cars will be sold through auto auctions.

• The automakers are selling the rental companies a record number of vehicles, which is estimated at over one million units in 1988, about double the number five years ago. Some rental companies are now recycling a portion of their fleets two or three times a year instead of once a year, which means more cars for auction.

The manufacturers' ownership of rental companies is now a big factor in the redistribution of late model cars.

For instance:

• General Motors owns 25 percent of Avis, and is guaranteed approximately 70 percent of their cars, about 78,000 cars. GM also owns 45 percent of National Car Rental, and is guaranteed 75 percent of the National fleet, approximately 75,000 cars.

• Ford owns 49 percent of Hertz, and is guaranteed 70 percent of their fleet, about 105,000 cars. Ford also arranged a financing program for Budget, and by doing so, is guaranteed 75 percent of the Budget fleet, about 65,000 cars. Volvo acquired an ownership in Hertz and is assured of more than 4,000 cars each year.

Chrysler helped finance the Avis buy-out and they will get 20 percent of the Avis fleet, about 26,000 cars. Chrysler also owns Thrifty Rent-A-Car and gets 75 percent of the Thrifty fleet, about 24,000 cars, and they also get 50 percent of the Snappy Rent-A-Rent fleet, about 9,000 cars. Chrysler's finance arrangement with General Rent-A-Car assures being a primary source.

There are some problems on the horizon, however:

• Experts predict a significant number of dealers in the United States will fail in the next 12 months, the number of dealerships could fall by eight percent from the present 25,000 to 23,000 dealerships.

• The number of dealers owning more than one dealership could drop 25 percent from 16,000 dealerships to 12,000 dealerships by the mid-1990s.

• Ford, General Motors, and Chrysler have all trimmed production plants and idled some plants due to disappointing sales numbers.

• The average price of a new car has nearly doubled this decade to over $14,000 in 1988.

• Lenders offer longer repayment periods to soothe the sting of higher prices, and today's average repayment term is almost five years.

• Because of the extended payment terms, many owners cannot buy cars because they are upside down (resale value is deficient versus principal owed) in their cars, and this has killed the three or four year trade-in cycles that automakers have come to expect. This is certainly going to have a negative impact on both new and late model car sales for a while.

• The market for late-model cars is extremely soft with lower prices and cars not selling as well, partially due

to the impact of factory buyback vehicles which are being recycled in volume back into the used-car market.

• Wholesale and retail prices are erratic. Finding the right used cars is becoming next to impossible. Local markets simply cannot supply the right kinds of cars and the quantities to make up the shortfall in new-car sales dollars for the dealers. Experts predict the next two years will reflect lower grosses on new cars for new-car dealers. As a result, dealers will be giving more attention to the used-car sales for additional gross profit.

What this means is that dealers will be concentrating more on used-car sales, used-car prices will firm up, and auctions will be getting more new-car customers, and be selling more cars.

For many auction owners, business has never been better. Major fleet and leasing companies are burdened with skyrocketing contract terminations and they will be unloading hundreds of thousands of 1986 and 1987 vehicles primarily through auctions.

The future is bright for auto auctions. The auto auction industry will continue to grow as it has over the past 10 years and probably almost as fast. The overall universe of cars will be growing, and it will include more lease and fleet cars, and manufacturer's cars will continue to increase in volume. The auto auction's ability to market large volumes of vehicles in a reasonably short period of time will become more valuable to the fleet and lease companies and the manufacturers in the years ahead.

Tomorrow's Challenges

• The challenges to the auto auction industry will be to continue to upgrade their facilities, adding more land, more lanes, and more recon area to service the continuing increase in business.

• Auctions also will be challenged to develop new management and professional staff to properly service the increasing business.

• Dealers will be challenged to locate desirable retail units, and to develop ways of selling the higher mileage units that are increasingly coming to market, both from customers and auctions.

• Manheim foresees manufacturers continuing to increase the number of cars in their repurchase programs which, of course, will increase the number of cars going through auctions from this source.

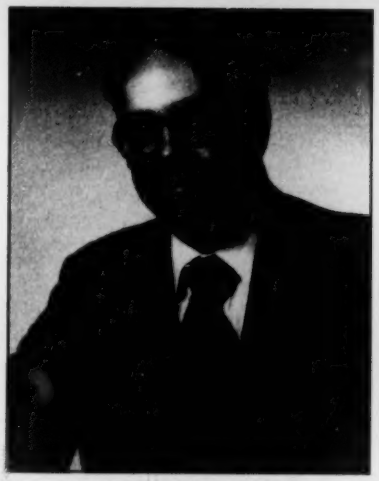
Question & Answer

Question: What are Manheim Auctions' plans for future growth?

Young: I can tell you that Manheim plans to continue its calculated and steady growth experienced over the last 20 years, by seeking out auctions which are highly regarded in their trading area, and have good competent management in place running the auction who we hope will want to continue working with Manheim. We are not out to try to purchase any set number of auctions within a given length of time, rather, we have plotted a gradual plan of growth built around purchasing quality auctions which we feel will match the Manheim personality.

Question: What is the future for the independent auctions?

Young: We believe the independent auctions will continue to play a very important role in the auction industry, primarily because they are well organized, competent, and dedicated to providing the high degree of service necessary in our industry at this time. I do not believe the role of the independent auctions will be adversely affected to any degree by reason of growth of the so-called auction chains.



Warren Young, president and chief executive officer for Manheim Auctions.

I know most of the independent auction owners very well, and I can tell you that some independents offer better service than some chains do.

For that matter, the auction chains, Manheim, Anglo, and GE, represent a minority of the auction houses in the United States. Manheim, at present, has 24 auctions, Anglo has 23, and GE has 18. In the National Auto Auction Association there are over 200 members. In addition to that, there are probably another 200 auto auctions in the United States that are not members of NAAA.

We, at Manheim, look forward to the next decade with anticipation and enthusiasm.

Member companies of the National Association of Fleet Resale Dealers are receiving payment for units sold more than seven days quicker than in 1985, according to results of its latest industry survey.

NAFRD's 1988 Business Survey

The National Association of Fleet Resale Dealers (NAFRD) recently released the results of its 1988 Business Survey, with responses coming from 32 members, more than any previous year.

The survey was not conducted last year for the 1987 business year, therefore, some results are compared to surveys from 1986 and 1985.

This year, a series of 35 questions were asked regarding general business practices used by NAFRD members. Questions ranged from number of units sold and the number of employees working for a company to expenditures for reconditioning and days per week a company is open for business.

Survey Highlights

One area of the survey dealt with reconditioning expenditures. Reconditioning was separated into two distinct categories—mechanical repairs and body repairs. According to NAFRD, results followed an upward curve which began when the 1986 survey results were released. This year's survey showed an average expenditure per vehicle of $156.56 for mechanical repairs and $218.98 for body repairs. In comparison, 1986 survey results showed $127.80 for mechanical repairs and $205 for body repairs.

Factors Influencing Resale

Factors	1986		1988
Mileage	1		2
Make	2		7
Model	3		5
Condition	4		1
Engine Size	5	(tie)	3
Equipment	5	(tie)	4
Color	7		6
Interior	8		8

NAFRD members were asked to rank, in order of importance, factors influencing the ultimate price received by their company on a vehicle sale. Results from 1986 are compared to 1988 figures.

Selling Colors

Color	1986		1988
Red	1		1
Cream	2		5
White	3		2
Black	4		8
Beige	5		4
Yellow	6		9
Blue	7		7
Brown	8	(tie)	6
Burgundy	8	(tie)	3
Green	10		10

In 1988, red remained the easiest color to sell, but other top 10 choices have changed since the 1986 survey.

In addition, clean-up fees have risen since 1985, according to this year's survey. For 1988, respondents indicated that an average of $73.43 per vehicle for clean-up services were charged on condition reports, up slightly from 1985 and 1986, when the average was $66.87 and $67.08, respectively.

Another significant highlight from this year's survey is that the average number of vehicles sold per respondent decreased from 1,923 in 1986 to 1,732 in 1988. According to NAFRD, this could be attributed to the fact that more respondents this year have smaller operations, possibly even start-ups.

Other Factors

In the 1986 survey, mileage was the most important factor in determining resale value, followed by make, model, condition, engine size and equipment (tie), color, and interior. This year, many of these factors changed positions. Condition is considered the most important factor in 1988, followed in order by mileage, engine size, and equipment. Make fell in importance from second to seventh, while model dropped from third to fifth.

Color preferences also have changed, as far as the effect they have on resale value. Red has re-

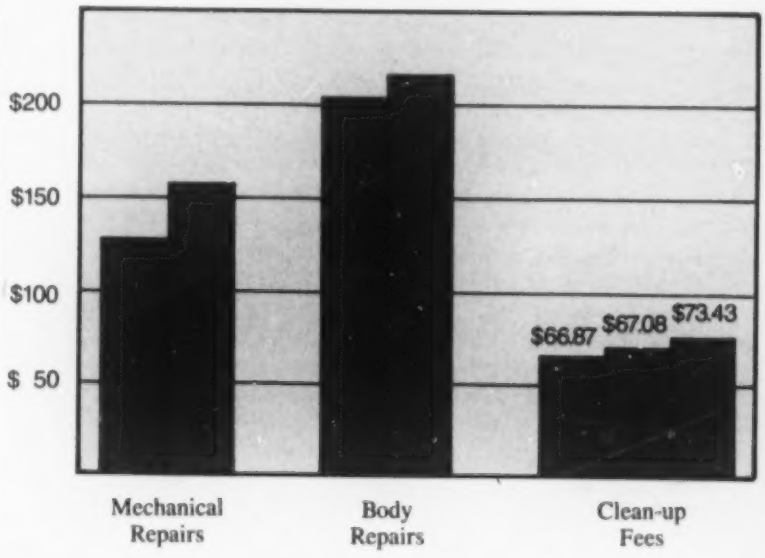
mained the best color for enhancing resale, but cream dropped from second to fifth from 1986 to 1988. Other significant drops were black—from fourth to eighth, and yellow—from sixth to ninth.

Efficiency

Improved cash flow management and modern technology apparently have had a positive impact on the fleet resale business, according to this year's survey results. Thanks to computerization, fax machines, and management capability, the average time span from when a company sells a vehicle until it receives payment has fallen from 26.5 days in 1985 to 19 days this year.

NAFRD summarized the results of the 1988 Business Survey by commenting that the fleet resale industry is a highly-competitive market which may be suffering slightly from the growth of the major auction chains.

Fleet Resale Dealer Expense Comparison
Average Expenditures Per Unit



Note: No survey was conducted for the 1987 business year.

Buerge Motor Car Company Fleet Group team, left to right, Rene Blankenship, Dean Schneider, Rose Smith and Gigi Farag.

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USED CARS

The following are average used-car prices for the period ending October 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

88 BUICK SKYHAWK			
Coupe	6,167	6,229	6,043
Sedan	6,253	6,314	6,125
87 BUICK SKYHAWK			
Cust Coupe	5,039	5,090	4,939
Cust Sedan	5,117	5,168	5,013
88 BUICK SKYLARK			
Cust Sedan	7,600	7,677	7,450
87 BUICK SKYLARK			
Cust Sedan	6,365	6,426	6,237
86 BUICK CENTURY			
Cust Sedan	7,585	7,659	7,431
87 BUICK CENTURY			
Cust Sedan	6,374	6,437	6,245
88 BUICK LE SABRE			
Cust Sedan	9,664	9,759	9,469
87 BUICK LE SABRE			
Cust Sedan	8,040	8,116	7,875
86 CADILLAC DE VILLE			
Coupe	15,046	15,196	14,744
Sedan	15,223	15,378	14,921
87 CADILLAC DE VILLE			
Coupe	12,423	12,548	12,173
Sedan	12,575	12,701	12,324
86 CADILLAC SEVILLE			
Sedan	16,336	16,500	16,011
87 CADILLAC SEVILLE			
Sedan	13,819	13,958	13,542
88 CHEVY BERETTA			
Coupe	7,250	7,320	7,105
88 CHEVY CORSICA			
Sedan	6,796	6,862	6,659
87 CHEVY BERETTA			
Coupe	5,776	5,835	5,660
87 CHEVY CORSICA			
Sedan	5,337	5,393	5,232
88 CHEVY CAVALIER			
Sedan	5,992	6,053	5,875
87 CHEVY CAVALIER			
Sedan	4,656	4,703	4,564
88 CHEVY CELEBRITY			
Sedan	7,181	7,254	7,038
87 CHEVY CELEBRITY			
Sedan	5,734	5,792	5,620
88 CHEVY CAPRICE			
Sedan	8,088	8,169	7,924
87 CHEVY CAPRICE			
Sedan	6,658	6,725	6,524
88 CHRYSLER NEW YORKER			
Sedan	11,334	11,447	11,106
87 CHRYSLER NEW YORKER			
Sedan	8,086	8,169	7,927
86 CHRYSLER FIFTH AVENUE			
Sedan	10,984	11,091	10,761
87 CHRYSLER FIFTH AVENUE			
Sedan	8,671	8,758	8,497
86 DODGE ARIES AMERICA			
Sedan	5,573	5,629	5,462
87 DODGE ARIES			
Sedan	4,526	4,572	4,435
88 DODGE SHADOW			
Liftbk 5 Dr	5,909	5,968	5,792
87 DODGE SHADOW			
Liftbk 4 Dr	4,902	4,951	4,804
86 DODGE DYNASTY			
Sedan	8,945	9,034	8,764
88 FORD ESCORT			
Htchbk 4 Dr GL	5,039	5,090	4,939
87 FORD ESCORT			
Htchbk 4 Dr GL	4,044	4,085	3,962
88 FORD MUSTANG			
LX-4 Coupe	6,790	6,858	6,655
87 FORD MUSTANG			
LX-4 Coupe	5,531	5,587	5,419
88 FORD TEMPO			
GL Sedan 4 Dr	5,999	6,061	5,878
87 FORD TEMPO			
GL Sedan 4 Dr	4,801	4,850	4,706
88 FORD TAURUS			
GL Sedan 4 Dr	8,120	8,200	7,959
87 FORD TAURUS			
GL Sedan 4 Dr	6,608	6,735	6,533
88 FORD CROWN VICTORIA			
Sedan	10,361	10,466	10,154
87 FORD CROWN VICTORIA			
Sedan	8,599	8,686	8,431
88 FORD THUNDERBIRD			
Coupe	9,198	9,293	9,016
87 FORD THUNDERBIRD			
Coupe	7,679	7,755	7,524
86 LINCOLN			
Town Car Sedan	15,353	15,504	15,046
Mark VII Coupe	17,088	17,260	16,744
Continental Sedan	18,977	19,167	18,597
87 LINCOLN			
Town Car Sedan	12,886	13,013	12,628
Mark VII Coupe	13,804	13,943	13,529
Continental Sedan	14,015	14,155	13,723
88 MAZDA 626			
LX Sedan 4 Dr	8,770	8,857	8,594
88 MERCURY COUGAR			
LS Coupe	9,637	9,732	9,446
87 MERCURY COUGAR			
LS Coupe	8,081	8,160	7,921
88 MERCURY TOPAZ			
GS Sedan 4 Dr	6,126	6,185	6,001
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,835	4,882	4,735
88 MERCURY SABLE			
GS Sedan	8,245	8,327	8,080
87 MERCURY SABLE			
GS Sedan	6,695	6,759	6,561
88 MERCURY GRAND MARQUIS			
Sedan	11,544	11,658	11,312
87 MERCURY GRAND MARQUIS			
Sedan	9,781	9,877	9,584
88 NISSAN SENTRA			
Sedan 2 Dr	4,736	4,783	4,641
88 NISSAN STANZA			
E Ntch 4 Dr	7,711	7,788	7,556
88 NISSAN MAXIMA			
SE Sedan	11,790	12,909	11,554
87 NISSAN SENTRA			
Sedan 2 Dr	3,875	3,913	3,796
87 NISSAN STANZA			
E Ntch 4 Dr	6,084	6,144	5,961
87 NISSAN MAXIMA			
SE Sedan	9,114	9,204	8,932
88 OLDS CIERA			
Coupe	7,503	7,577	7,353
Sedan	7,585	7,659	7,431
87 OLDS CIERA			
S Coupe	6,357	6,422	6,230
Sedan	6,430	6,494	6,301
88 OLDS CALAIS			
Sedan	7,515	7,592	7,367
87 OLDS CALAIS			
Sedan	6,372	6,435	6,244
88 OLDS CUTLASS SUPREME			
Coupe	8,740	8,828	8,566
87 OLDS CUTLASS SUPREME			
Coupe	7,356	7,429	7,211
Sedan	7,356	7,429	7,211
88 OLDS 98 REGENCY			
Sedan	11,354	11,468	11,127
87 OLDS 98 REGENCY			
Sedan	9,395	9,488	9,209
88 PLYMOUTH RELIANT			
Sedan	5,573	5,629	5,462
87 PLYMOUTH RELIANT			
Sedan	4,540	4,585	4,448
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,904	5,963	5,788
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,870	4,922	4,775
88 PLYMOUTH GRAN FURY			
Salon Sedan	6,328	6,390	6,202
87 PLYMOUTH GRAN FURY			
Salon Sedan	5,106	5,156	5,004
88 PONTIAC SUNBIRD			
SE Coupe	6,222	6,286	6,099
Sedan	6,306	6,369	6,179
87 PONTIAC SUNBIRD			
SE Coupe	4,900	4,950	4,800
Sedan	4,826	4,873	4,728
88 PONTIAC 6000			
Coupe	7,278	7,348	7,131
Sedan	7,357	7,432	7,209
87 PONTIAC 6000			
Coupe	5,877	5,935	5,760
Sedan	5,945	6,005	5,828
88 PONTIAC GRAND AM			
Sedan	7,378	7,450	7,231
87 PONTIAC GRAND AM			
Sedan	6,562	6,628	6,429
88 PONTIAC BONNEVILLE			
Sedan	10,525	10,629	10,315
87 PONTIAC BONNEVILLE			
Sedan	8,113	8,198	7,951
88 PONTIAC GRAND PRIX			
Coupe	8,944	9,033	8,765
87 PONTIAC GRAND PRIX			
Coupe	7,432	7,506	7,286
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,780	6,848	6,645
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	9,254	9,347	9,070
88 TOYOTA CRESSIDA			
Lux Sedan	13,924	14,064	13,646
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	5,414	5,467	5,304
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,890	7,970	7,734
87 TOYOTA CRESSIDA			
Lux Sedan	11,443	11,555	11,212
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,286	7,359	7,142
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,001	6,060	5,880

CALENDAR

NOVEMBER

16-19—CATRALAs' Western Regional Conference, Newporter Hyatt Resort, Newport Beach, CA. Information: (202) 223-2118.

5-8—American Association of Equipment Lessors, Annual Convention, Fairmont Hotel, San Francisco, CA. Information: (703) 527-8655.

15-19—International Taxicab Association 71st Annual Convention and Trade Show, Sheraton Harbor Island, San Diego, CA. Information: (301) 946-5700.

DECEMBER

Nov. 30-Dec. 3—Avis Licensee Meeting, Fairmont Hotel, San Francisco, CA. Information: (516) 222-3000.

5-7—Maintenance Management Seminar, Michigan State University, East Lansing, MI. Information: (517) 353-1790.

JANUARY

6-14—North American International Auto Show, Cobo Hall, Detroit, MI. Information: (313) 872-4311.

6-14—Los Angeles Auto Show, Los Angeles Convention Center, Los Angeles, CA. Information: (213) 748-8531.

FEBRUARY

10-13—National Automobile Dealers Association Annual Convention, Convention Center, Las Vegas, NV. Information: (703) 821-7000.

25-Mar. 1—American Car Rental Association, 12th Annual Convention, Arizona Biltmore, Phoenix, AZ. Information: (202) 223-2118.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Little Rock, AR	134.0¢	94.9¢
Kingman, AZ	160.9	113.4
San Francisco, CA	139.9	101.0
Hartford, CT	133.2	112.6
Chicago, IL	157.0	116.0
Lexington, KY	129.9	95.6
New Orleans, LA	140.2	98.2
Bangor, ME	127.6	112.9
Flint, MI	135.6	101.4
Raleigh, NC	138.9	103.9
Brooklyn, NY	116.7	89.9
Tulsa, OK	129.6	105.4
Oil City, PA	102.9	92.9
Roanoke, VA	122.4	96.9
Yakima, WA	161.9	120.9

Survey conducted during the first five working days of October 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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ruck/Van Directory

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND

'90 Trucks & Specs

Upfitting Showcase

Statistics

Top 100 Truck Fleets
Specing Light Trucks

automotive
FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

DECEMBER 1989
VOL. 29,NO. 2

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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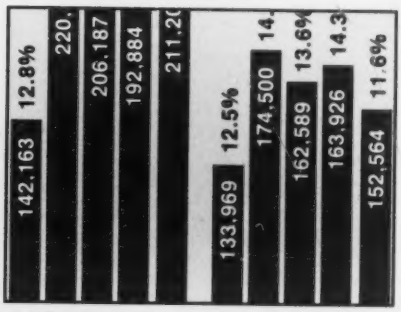

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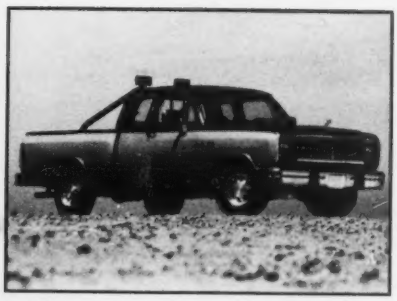

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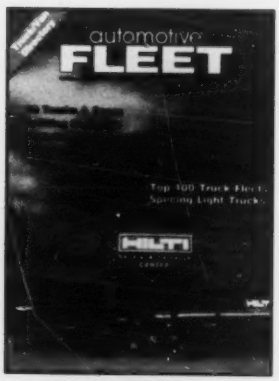

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When production vehicles aren't suited for a company's business purposes, upfitting is the solution.

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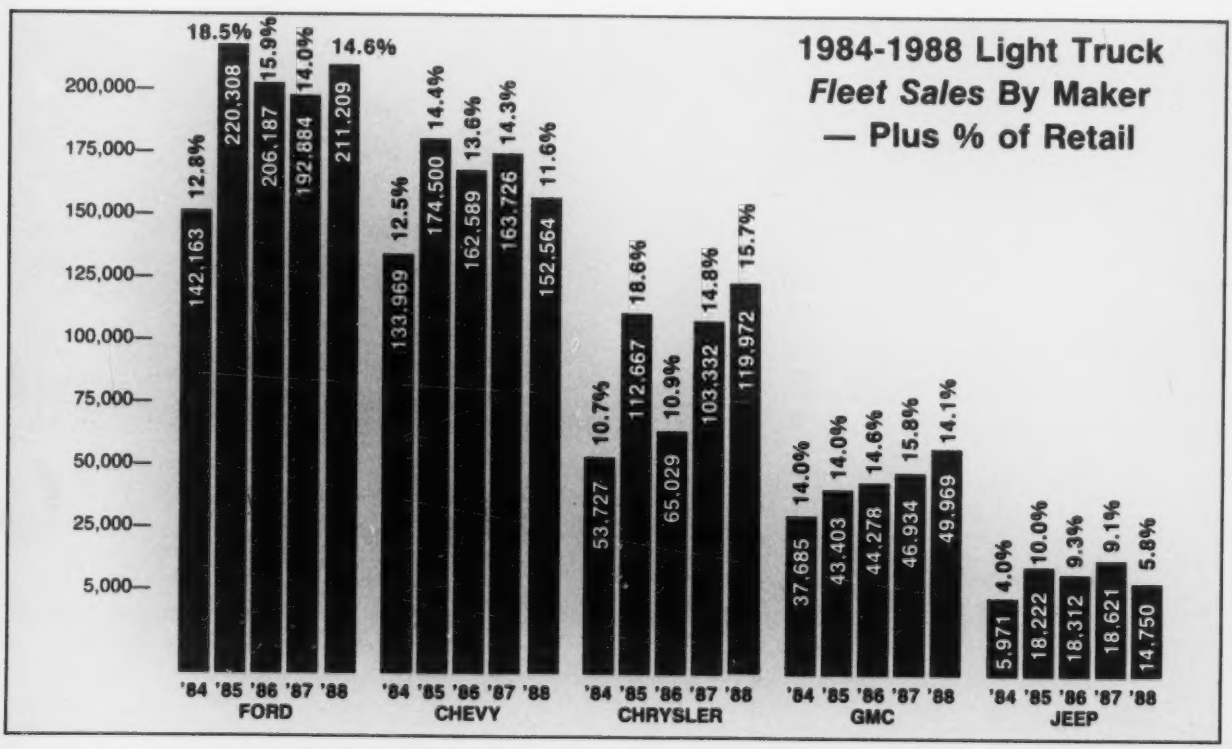
U.S. Light Truck Statistics

New 1981 to 1989 Light Truck Registrations Reported
Class 1, 2 & 3 National and Fleet Totals
Calendar Year

Source: Automotive Fleet Research Dept.

MAKE	1981	1982	1983	1984	1985	1986	1987	1988	6 mos. 1989
Total	1,926,887	2,237,843	2,799,636	3,793,798	4,391,588	4,659,261	4,422,192	4,882,482	2,382,538
Fleet	294,475	317,017	294,633	455,742	670,801	630,107	589,507	613,469	333,661
% Fleet	*15.3*	*14.2*	*10.5*	*8.3*	*15.3*	*13.5*	*13.3*	*12.6*	*14.0*
CHEVY	619,997	726,358	891,125	1,072,231	1,209,012	1,198,856	1,145,472	1,314,657	645,405
	94,289	97,514	90,688	133,969	174,500	162,589	163,726	152,564	83,801
	15.2	*13.4*	*10.2*	*12.5*	*14.4*	*13.6*	*14.3*	*11.6*	*13.0*
FORD	648,804	689,941	905,846	1,111,832	1,189,053	1,296,181	1,376,037	1,443,060	710,062
	116,979	101,471	106,263	142,163	220,308	206,187	192,884	211,209	113,440
	18.0	*14.7*	*11.7*	*12.8*	*18.5*	*15.9*	*14.0*	*14.6*	*16.0*
GMC	128,615	186,257	224,718	268,858	309,125	304,133	296,435	354,282	171,829
	21,531	23,772	23,244	37,685	43,403	44,278	46,934	49,969	25,619
	16.7	*12.8*	*10.3*	*14.0*	*14.0*	*14.6*	*15.8*	*14.1*	*14.9*
DODGE & PLYMOUTH	181,308	228,232	263,687	503,967	606,388	596,159	697,773	763,309	391,886
	29,930	29,078	28,491	53,727	112,677	65,029	103,332	119,972	73,449
	16.5	*12.7*	*10.8*	*10.7*	*18.6*	*10.9*	*14.8*	*15.7*	*18.8*
JEEP	58,257	62,097	76,453	148,040	181,939	195,973	203,625	253,454	126,268
	3,246	3,816	1,947	5,971	18,222	18,312	18,621	14,750	8,231
	5.6	*6.1*	*2.5*	*4.0*	*10.0*	*9.3*	*9.1*	*5.8*	*6.5*
OTHER Inc. Imports, etc.	317,250	344,958	437,797	687,074	784,013	1,008,693	702,850	753,720	337,088

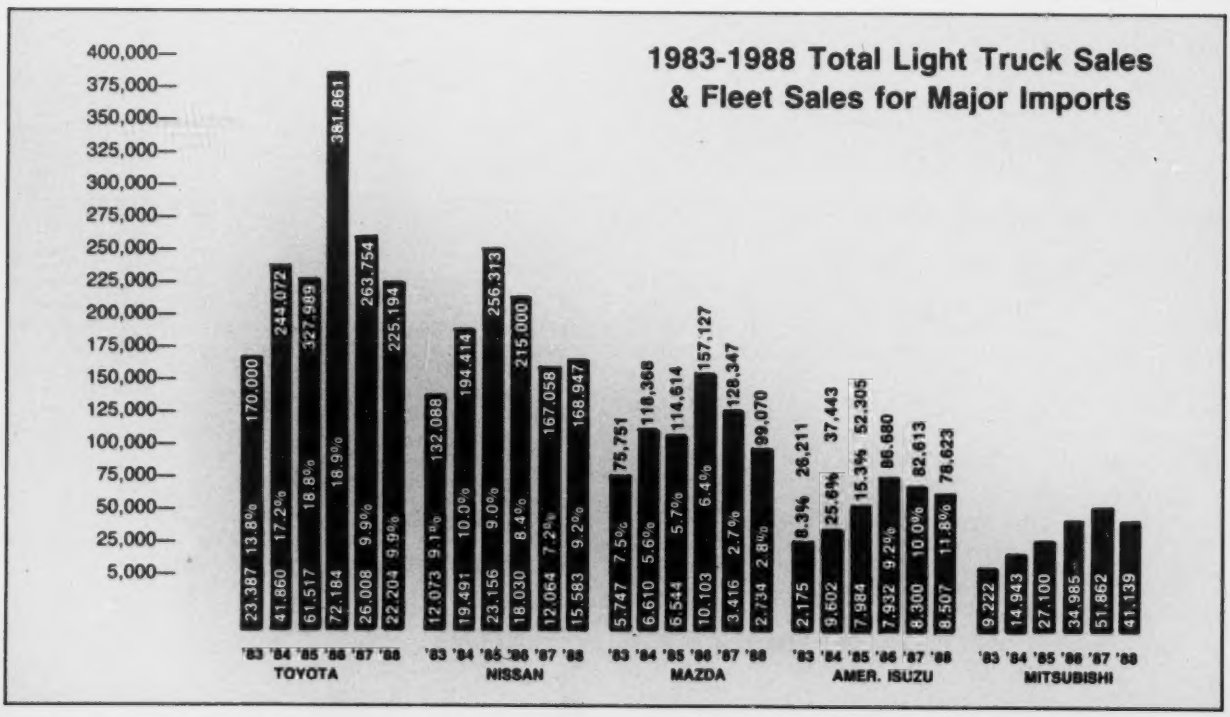


Import Light Truck Market Statistics

New 1981 to 1989 Light Truck Sales/Registrations Reported
Class 1, 2, & 3, National and Fleet Totals
Calendar Year

Source: Automotive Fleet Research Dept.

MAKE	1981	1982	1983	1984	1985	1986	1987	1988	6 mos. 1989
TOYOTA									
Total	130,379	143,439	170,000	244,072	327,989	381,861	263,754	225,194	100,548
Fleet	9,413	10,936	23,387	41,860	61,517	72,184	26,008	22,204	12,382
% Fleet	*7.2*	*7.6*	*13.8*	*17.2*	*18.8*	*18.9*	*9.9*	*9.9*	*12.3*
NISSAN	119,684	106,440	132,088	194,414	256,313	215,000	167,058	168,947	74,438
	6,184	13,430	12,073	19,491	23,156	18,030	12,064	15,583	6,808
	5.5	*12.6*	*9.1*	*10.0*	*9.0*	*8.4*	*7.2*	*9.2*	*9.1*
MAZDA	16,798	40,661	75,751	118,368	114,614	157,127	128,347	99,070	41,997
		2,192	5,747	6,610	6,544	10,103	3,416	2,734	4,078
		5.3	*7.5*	*5.6*	*5.7*	*6.4*	*2.7*	*2.8*	*9.7*
AMERICAN ISUZU	9,959	17,669	26,211	37,443	52,305	86,680	82,613	78,623	41,442
			2,175	9,602	7,984	7,932	8,300	8,507	4,070
			8.3	*25.6*	*15.3*	*9.2*	*10.0*	*11.8*	*9.8*
MITSUBISHI		931	9,222	14,943	27,100	34,985	51,862	41,139	15,203
								807	210
								2.0	1.4
IVECO		1,669	1,679	2,106	1,948	1,411	1,268	1,556	641
ISUZU TRUCK (Class 3)					2,526	4,661	4,825	4,736	2,835
MITSUBISHI FUSO							976	1,624	944
UD TRUCKS — NISSAN DIESEL AMERICA								69	240
TOTAL								452,011	278,228
								50,634	28,008
								11.2	10.1



Light Truck/Van Sales Statistics

RETAIL SALES OF NEW TRUCKS BY FRANCHISED DEALERS[1]

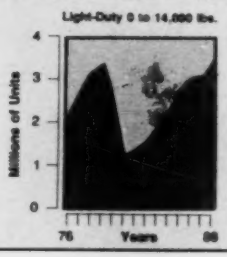
Gross Vehicle Weight	1983	1984	1985	1986	1987	1988
0-6000 lbs.						
Utility						
Domestic	253,823	369,883	428,656	382,231	382,966	434,642
Import[1]	—	—	—	4,768	19,539	10,006
Car-Type Pickup	26,170	25,699	24,420	24,050	15,448	480
Compact Pickup						
Domestic	433,167	560,378	625,358	678,585	795,110	848,006
Import[1]	55,143	52,894	70,317	78,706	65,593	53,283
Van	67,299	121,374	114,919	112,429	88,924	47,125
Minivan	18	23,727	103,237	110,072	101,321	105,369
Conventional Pickup						
(Incl. extended & crew cabs)	445,370	632,401	644,367	582,140	565,758	592,665
Station Wagon (Truck Chassis)	8,394	61,623	85,591	97,655	108,453	138,410
Mini Passenger Carrier	8,174	168,774	300,963	459,721	546,106	691,623
Passenger Carrier	16,364	14,250	10,623	10,771	6,909	4,419
Total	**1,313,922**	**2,031,003**	**2,408,451**	**2,541,128**	**2,696,127**	**2,926,028**
6,001-10,000 lbs.						
Utility	84,493	103,258	107,790	100,880	91,243	90,103
Van	311,207	264,997	261,050	261,194	253,823	301,979
Van Cutaway Chassis	45,228	54,954	56,122	51,085	55,954	61,796
Conventional Pickup						
(Incl. extended & crew cabs)	573,918	572,595	628,265	582,293	569,278	665,776
Station Wagon (Truck Chassis)	68,844	86,056	94,603	98,461	91,125	104,123
Passenger Carrier	76,985	84,838	86,765	76,052	66,252	64,519
Multi-Stop	45,924	57,540	45,620	43,699	47,405	44,805
Total	**1,206,599**	**1,224,238**	**1,280,215**	**1,213,664**	**1,175,080**	**1,333,101**
10,001-14,000 lbs.	**145**	**6,019**	**10,854**	**11,558**	**14,007**	**14,228**

[1] Sales, including domestic-sponsored imports, by U.S. manufacturers for the years 1983-1985. Data for 1986-1988 include sales of trucks over 10,000 lbs. by overseas manufacturers.

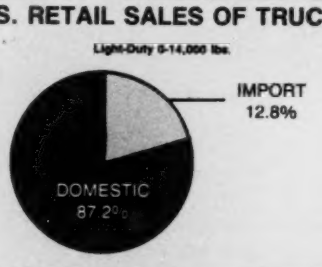
U.S. TRUCK AND BUS FACTORY SALES BY BODY TYPE

	1982	1983	1984	1985	1986	1987	1988
Under 10,000 lbs. GVW[1]							
Pickup	1,141,050	1,278,099	1,494,770	1,461,914	1,579,563	1,800,022	1,896,631
Compact or Passenger Car Type	445,082	500,827	511,558	575,253	650,368	753,451	817,746
Conventional	695,968	777,272	983,212	886,661	929,195	1,046,571	1,078,885
Multi-Stop	32,036	47,465	62,984	44,898	46,149	49,053	51,987
Minivan	N.A.	N.A.	N.A.	N.A.	101,466	99,660	111,530
Van	192,681	284,607	343,841	401,089	305,749	319,438	315,938
Station Wagon (on Truck Chassis)	88,418	117,931	214,289	240,806	240,141	271,231	323,748
Mini Passenger Carrier	N.A.	N.A.	N.A.	N.A.	276,795	400,464	510,776
Passenger Carrier	47,066	44,135	54,991	153,741	40,842	39,717	40,663
General Utility	153,230	396,718	507,431	550,977	439,786	458,333	453,024
Other	67,066	50,938	90,969	192,565	97,655	90,442	105,663
Total Under 10,000 lbs. GVW	**2,862,597**	**3,497,992**	**4,264,045**	**4,507,904**	**4,707,709**	**5,328,382**	**5,706,591**

ANNUAL TRUCK FACTORY SALES BY GROSS VEHICLE WEIGHT

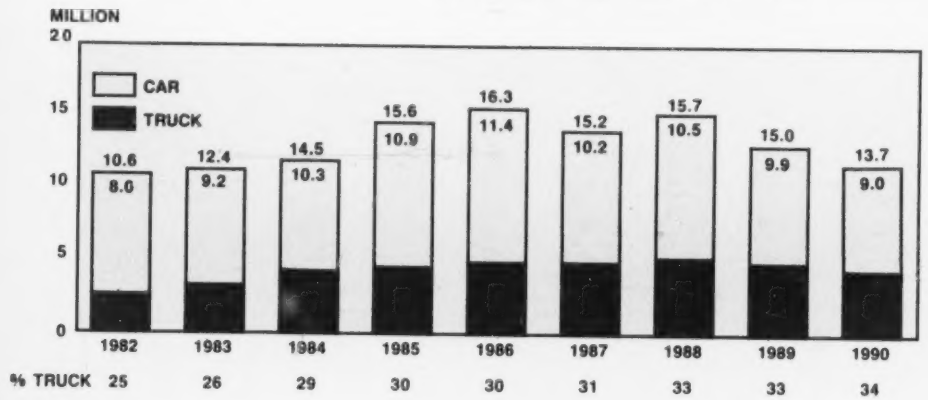


U.S. RETAIL SALES OF TRUCKS



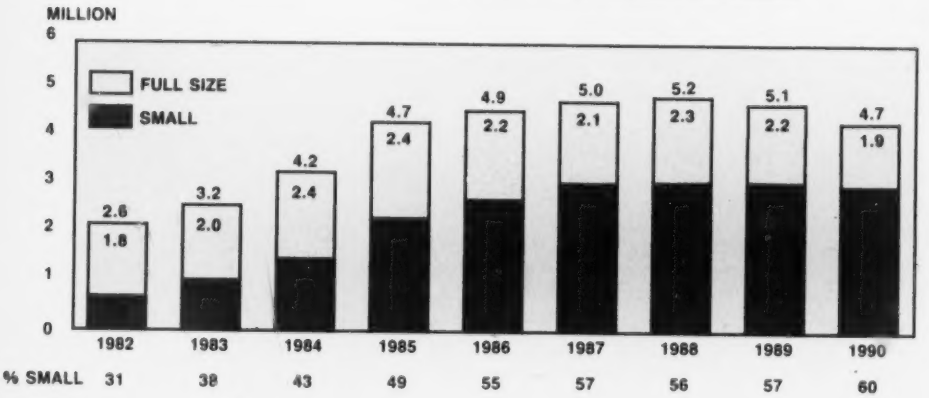
U.S. Light Truck Statistics

Total Industry Sales
1982-1989 CY & Projected



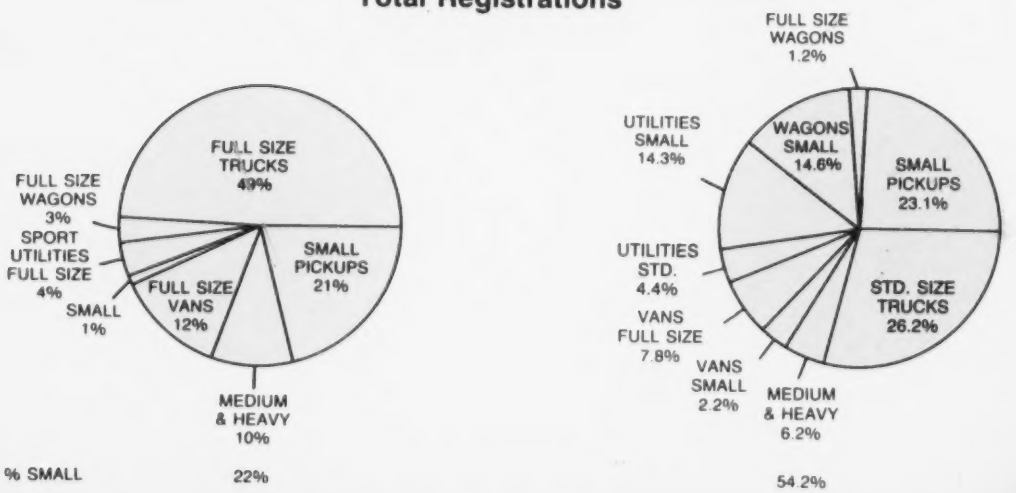
Trucks have been on the increase since 1981—going from 2.3 million and only 21 percent of the industry to the all-time record of 5.2 million and 33 percent of the industry in 1988, with decreases in 1989 and expected in 1990.

Total Industry Sales
1982-1989 CY & Projected



In 1981, only 500,000 small trucks were sold for 22 percent of the market. In contrast, 1989 saw 2.9 million small trucks sold for 57 percent of the market. These 2.9 million small trucks were more than the entire truck market in both 1982 and 1983. In 1990 look for small wagon sales to increase with the new entries of small "wagons."

1981 CY Truck Market 1989 CY
Total Registrations



PLUS
SPECIAL REPORT
Specing Light Trucks

91

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Chrysler Fleet Operations

Presents the First Annual

automotive
FLEET
TOP
100
LIGHT TRUCK FLEETS

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The 1st Annual Top 100
Commercial / Utility / Rental Light Truck & Van Fleets
(Incl. Classes I, II & III)

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
1	United Parcel, Inc. Greenwich, CT	Don Parkinson	X	—	60,000
2	U-Haul Phoenix, AZ	Harry DeShong	X	—	40,000
3	Penske Truck Rental Reading, PA	Vincent W. Harnett	X	—	24,000
4	GTE Service Corp. Stamford, CT	Charles J. Britain	X	—	23,000
5	Federal Express Corp. Memphis, TN	Evelyn Holmes	X	Fleetmark, ARI	21,180
6	Quality Bakers America Greenwich, CT	David I. Armstrong	X	—	17,000
7	Sears, Roebuck and Co. Chicago, IL	William Jones III	X	—	13,800
8	Frito Lay, Inc. Dallas, TX	Tom Smith Arian Guess	X	—	11,000
9	Continental Baking Co. St. Louis, MO	Paul Walsh	X	—	8,762
10	Tupperware Orlando, FL	John Bandy	X	GEC Fleet, Wheels	8,000

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
11	Chesapeake & Potomac Silverspring, MD	James Boles	X	—	6,142
12	Emery & Purolator Wilton, CT	J.B. Townley Ron Yavorka	—	Lend Lease	6,000
13	ARA Services Philadelphia, PA	Ralph Jamic Kamran Partow	X	GEC Fleet	5,604
14	Interstate Brands Corp. Kansas City, MO	David Weisman Gary Pasche	X	—	5,229
15	Goodyear Tire & Rubber Akron, OH	George Platis	X	PH&H	5,059
16	Campbell Taggart, Inc. Dallas, TX	Ray Grzywinski	X	—	4,500
17	Xerox Corp. Rochester, NY	Ron Pink	—	LMV	4,461
18	American Elec. Power Service Corp. Columbus, OH	Kevin Dinan	—	Pitney Bowes	4,180
19	Rollins Inc. Atlanta, GA	John Willis	—	B&M World Omni	4,102
20	Phillip Morris USA New York, NY	Gregory Tarring	—	PH&H GEC Fleet	4,100
21	Union Pacific Railroad Omaha, NE	T.R. Oliveri	X	GEC Fleet	4,074
22	CSX Transportation Jacksonville, FL	Jim Fronkoski Mark Gast	X	Bank- Amerilease	4,000
23	Shell Oil Company Houston, TX	Lydia Foght Karen Pohja	X	—	4,000
24	General Electric Louisville, KY	Vic Miska	X	GEC Fleet	3,700
25	Texaco Inc, White Plains, NY	Alexander Hamilton	X	PH&H	3,680
26	Borden Dairy Group Columbus, OH	Max Dawson	X	—	3,673
27	Consolidated Edison New York, NY	Tom Flood	X	—	3,600

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
28	VPSI Detroit, MI	Kenneth C. Sieloff	X	—	3,500
29	Service America Corp. Stamford, CT	Wilbur O. Wachter	X	Wheels PH&H	3,439
30	Ashland Oil Inc. Ashland, KY	William D. Bloss	X	PH&H GEC Fleet	3,400
31	Westinghouse Elec. Corp. Pittsburgh, PA	Lou Dobak	X	PH&H LMV	3,350
32	Georgia Power Co. Atlanta, GA	Mark Johnson	X	—	3,100
33	ConRail Philadelphia, PA	Paul Rossi	X	—	3,100
34	Exxon Company U.S.A. Houston, TX	John W. Dewees	X	—	3,000
35	Tenneco, Inc. Houston, TX	J.R. "Jack" Guedlman	X	Fleet Services	3,000
36	Amoco Corp. Chicago, IL	Richard Lynch	X	—	3,000
37	Siemens Corp. Iselin, NJ	John Connelly	X	—	3,000
38	Duke Power Co. Charlotte, NC	Ray Hall	X	—	2,897
39	Phillips Petroleum Bartiesville, OK	James R. Grillot	X	—	2,886
40	Canteen Corp. Chicago, IL	Mark Klein	X	—	2,860
41	Honeywell, Inc. Minneapolis, MN	C. Wayne Jacobson	—	GEC Fleet PH&H	2,780
42	Burlington Northern RR St. Paul, MN	John Long	X	—	2,600
43	ADT Security Systems Parsippany, NJ	John Africano	X	GEC Fleet	2,547
44	Consumers Power Co. Jackson, MI	Mark Brennan	X	—	2,500

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
45	Norfolk Southern Roanoke, VA	W.L. Goodman	X	—	2,500
46	Atchison Topeka Santa Fe RR Chicago, IL	Mike Guntar	X	—	2,311
47	R.J. Reynolds Tobacco Co. Winston-Salem, NC	Vicky Brady	X	—	2,308
48	Johnson Controls Milwaukee. WI	Bob Borchert	X	GEC Fleet Wheels	2,308
49	Safety Kleen Corp. Elgin, IL	Richard Knippschild	X	—	2,300
50	Entenmann Bakery, Inc. Bay Shore, NY	Gene Bianco	X	—	2,288
51	Houston Lighting & Power Co. Houston, TX	Mike Astrada	X	—	2,272
52	American Bakeries Charlotte, NC	Jerry Green	X	—	2,272
53	Dow Chemical USA Midland, MI	Tom Madden Sue Sober	—	McCullagh Wheels	2,268
54	Marathon Oil Company Houston, TX	Lois A. Smith	X	PH&H, Wheels	2,150
55	Borg Warner Chicago, IL	Phyllis Howard	—	In-house	2,100
56	Texaco Inc. (Central) Houston, TX	Bernard Byre	—	PH&H	2,100
57	USX Corporation Pittsburgh, PA	Don Hillwig	X	PH&H	2,046
58	Cox Enterprises, Inc. Atlanta, GA	Patsy Brownson	X	ARI, Wheels	2,000
59	Columbia Gas Distribution Columbus, OH	Tim Webber	—	PH&H	1,993
60	Brown & Williamson Tobacco Corp. Louisville, KY	Mike Cooley	X	—	1,980
61	Montgomery Ward Chicago, IL	Roseann Neveitt	—	PH&H GEC Fleet	1,916

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
62	Pony Express Courier Corp. Charlotte, NC	William J. Glasheen	—	TransAmerica	1,867
63	E.I. duPont de Nemours & Co. Wilmington, DE	Richard G. Prettyman	—	PH&H	1,820
64	Alabama Power Co. Birmingham, AL	Rick Owens	X	—	1,815
65	Centel Corp. Chicago, IL	Jim Edgar	X	—	1,750
66	JR Simplot Co. Mining-Soil Pocatello, ID	Terry McLaughlin	X	—	1,740
67	Flowers Industries, Inc. Thomasville, GA	Mark Worthey Troy Avera	X	—	1,700
68	Stroehmann Bakeries Horsham, PA	Paul M. Gossard	X	PH&H	1,600
69	Diebold Inc. Canton, OH	Linda Taylor	—	PH&H	1,600
70	Service Corporation Int'l. Stamford, CT	Gary L. Sanders	X	X	1,574
71	Petrolane Inc. Long Beach, CA	Steve Haverfield	X	—	1,552
72	Terminex, Int'l. Memphis, TN	Lomax Springfield	—	Wheels	1,540
73	Enron Houston, TX	Jim Davis	X	—	1,500
74	GenCorp-General Tire Akron, OH	Anthony DeJacoby	X	—	1,500
75	Florida Power Co. St. Petersburg, FL	Jim Pennington	X	—	1,500
76	Cal Gas Corp. Sacramento, CA	Jimmy Todal	X	—	1,451
77	Union Electric Co. St. Louis, MO	Walt Caesar	X	—	1,355
78	Ogden Allied Service Corp. New York, NY	R. Brandeberry	X	—	1,300

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
79	Whitman Corp. Chicago, IL	E.P. Walsh	—	GEC Fleet	1,300
80	Aratex Services Encino, CA	Merit Kenney	X	—	1,300
81	WR Grace & Co. New York, NY	J.W. Enterline	—	PH&H, USFL	1,290
82	Carolina Tel./Div. United Tel. Tarboro, NC	W.E. Barnes	X	—	1,224
83	Motorola, Inc. Shaumburg, IL	Charles Kuebler	X	—	1,208
84	Combustion Engineering, Inc. Windsor, CT	Donald LePard	—	McCullagh, ARI	1,200
85	Airborne Freight Corp. Seattle, WA	Martin Lanley	X	—	1,200
86	Minnesota Mining & Mfg. Co. St. Paul, MN	Tim R. Hoffmann	X	—	1,163
87	Sherwin Williams Co. Cleveland, OH	David Hall, Dan Solar	—	McCullagh	1,163
88	Arizona Public Service Phoenix, AZ	Doug McClymont	X	—	1,100
89	Air Products & Chemicals, Inc. Allentown, PA	Frank Hartzell	X	—	1,100
90	Eastman Kodak Rochester, NY	Mark Hardway	X	PH&H	1,100
91	Flagship Cleaning Services, Inc. Newton Square, PA	Rolan Brook	X	—	1,100
92	United Cable Television Denver, CO	Richard Belkie	X	—	1,100
93	McKesson Corp. San Francisco, CA	Martin J. Ward	X	X	1,075
94	Digital Equipment Maynard, MA	Rick Catino Ellen Finnerty	—	PH&H GEC Fleet	1,061

'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	#Trucks & Vans
95	Greyhound Corp. Phoenix, AZ	Susan D. Richard	X	PH&H	1,055
96	Lorillard, Inc. New York, NY	Sal Giacchi	—	—	1,055
97	JI Chase Company Racine, WI	Frank Atha	X	—	1,050
98	Amtrak Philadelphia, PA	Ed Stuhl	X	—	1,040
99	Gulf States Utilities Co. Beaumont, TX	Rose Holstead	X	—	1,005
100	FMC Corp. Chicago, IL	Lawrence Dakof	X	GEC Fleet	1,000
	TOTAL				**442,970**

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AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

Company Name	Rank	Company Name	Rank	Company Name	Rank	Company Name	Rank
ADT Security Systems	43	Combustion Engineering	84	Georgia Power Co.	32	R.J. Reynolds Tobacco Co.	47
Air Products & Chemicals	89	CON Edison of NY	27	Goodyear Tire & Rubber	15	Safety Kleen Corp.	49
Airborne Freight Corp.	85	ConRail	33	WR Grace & Co.	81	Sears, Roebuck and Co.	7
Alabama Power Co.	64	Consumers Power Co.	44	Greyhound Corporation	95	Service America Corp.	29
American Bakeries	52	Continental Baking Co.	9	GTE Service Corp	4	Service Corporation Int'l	70
American Elec. Power	18	Cox Enterprises, Inc.	58	Gulf States Utilities	99	Shell Oil Company	23
Amoco Corp.	36	CSX Transportation	22	Honeywell Inc.	41	Sherwin Williams Co.	87
Amtrak	98	Diebold, Inc.	69	Houston Lighting & Power	51	Siemens Corp.	37
ARA Services	13	Digital Equipment	94	Interstate Brands Corp.	14	JR Simplot Co-Mining-Soil	66
Aratex Services	80	Dow Chemical	53	Johnson Controls	48	Stroehmann Bakeries	68
Arizona Public Service	88	Duke Power Co.	38	Lorillard, Inc.	96	Tenneco, Inc.	35
Ashland Oil Inc.	30	Dupont	63	Marathon Oil Co.	54	Terminex, Int'l	72
Atchinson Topeka Santa Fe	46	Eastman Kodak	90	McKesson Corp.	93	Texaco, Inc.	25
Borden Dairy Group	26	Emery & Purolator	12	Minnesota Mining & Mfg.	86	Texaco, Inc. (Central)	56
Borg Warner	55	Enron	73	Montgomery Ward	61	Tupperware	10
Brown & Williamson	60	Entenmann Bakery, Inc.	50	Motorola, Inc.	83	U-haul	2
Burlington Northern RR	42	Exxon Company U.S.A.	34	Norfolk Southern	45	Union Electric Co.	17
Cal Gas Corporation	76	Federal Express	5	Ogden Allied Serv. Corp.	78	Union Pacific Railroad	21
Campbell Sales Co.	16	Flagship Cleaning Services	91	Penske	3	United Cable Television	92
Canteen Corp	40	Florida Power Co.	75	Petrolane Inc.	71	United Parcel Service	1
Carolina Tel/Div United Tel.	82	Flowers Industries	67	Phillip Morris U.S.A.	20	USX Corporation	57
Centel Corp.	65	FMC Corp.	100	Philips Petroleum	39	VPSI	28
JI Chase Company	97	Frito Lay, Inc.	8	Pony Express Courier	62	Westinghouse Elec. Corp.	31
Chesapeake & Potomac	11	GenCorp-General Tire	74	Quality Bakers America	6	Whitman Corp.	79
Columbia Gas Distribution	59	General Electric	24	Rollins Inc.	19	Xerox Corporation	17

Many fleet managers treat light-duty trucks in the same manner as they do cars. This practice is expensive and causes problems. When it comes to specing trucks, the expertise and advice of a third party expert are helpful.

Decision Path For Specing Light Trucks

The idea of specing out a truck — even a light-duty truck — strikes fear into the hearts of many fleet administrators. Quite frankly, many are intimidated by the arcane jargon (GAWR, payload, cab-axle ratios) and the mix-and-match maze of equipment compatibilities that goes with trucks. By contrast, automobiles seem straightforward, and fleet managers feel much more comfortable figuring out which options increase resale than worrying about load distribution.

Light-duty trucks are sandwiched between cars and "heavies." There's a tendency to treat trucks as cars (especially vans, pickups, and sport utilities) and ignore the differences that make them trucks. Meanwhile, if trucks don't fit automotive ordering habits, some fleet managers tend to either delegate light truck ordering to the dealer who ordered their last trucks, or to a manufacturing rep, or a fleet management company specialist.

The trouble is treating light trucks like cars or delegating the job completely to a third party can be expensive solutions to the problem. And, the volume of trucks being purchased for fleets today (about 50 percent of automobile purchases) simply multiplies the risks. Over-speced or under-speced vehicles may fail to do the job, are very expensive to operate, and prove virtually impossible to dispose. Purchasing the right new vehicles for a fleet is like an equation. One aspect of this equation is technical expertise. But knowledge of the application context — that is, a detailed familiarity with the daily operations of a fleet's vehicles, its drivers, and the company's business plans for the next few years — is also an essential part of the equation.

No matter how qualified an outside third party may be, chances are that their knowledge of the application context is superficial. That's what the fleet administrator must bring to the table.

The fact is that specing out a truck will probably continue to include a third party expert: there's no way the average fleet administrator can match the expert's years of first-hand experience and technical know-how. So, acquiring enough truck expertise to replace the specialist is not the issue. Rather, there should be a dialogue — a working relationship — with the specialist who is being used to properly spec out new trucks. This requires striking a fine balance be-

Truck Classes Weight	Class	GVW	Types
Light-Duty	1	≤ 6,000 lbs	
	2	6,001-10,000	
	3	10,001-14,000	
Medium-Duty	4	14,001-16,000	
	5	16,001-19,500	
Heavy-Duty	6	19,501-26,000	
	7	26,001-33,000	
	8	≥ 33,001	

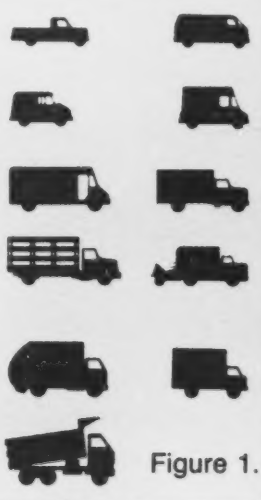


Figure 1.

tween performance and operating economy.

In order to have a fruitful dialogue, the fleet administrator needs to know the issues on which the specification process turns: namely, where critical decisions are made regarding choices of options and equipment, and the kinds of data (drawn from the application context) necessary to make intelligent decisions.

To illustrate this process. it's possible to sketch a simple "decision path" that traces the process, showing where the most significant decision points are, and the implications of each choice for further specifications choices. (The computer-aided ordering systems that most dealers, manufacturers, and management companies use today are often simply sophisticated decision trees.) By offering an elementary model here, the intention is to show how to prepare for the process, and show why a grasp of "operating context" is essential.

Henry Ford once said that no task is too difficult if it is broken up into its component parts. Following that advice, a good starting point is to recall the fundamental fact that trucks are designed to enable *people* to move *cargo* for some *repeated purpose*. These notions — people, cargo, and duty cycle — provide a useful framework around which to organize the issues that decide vehicle type, payload capacity, drivetrain, options, and other features.

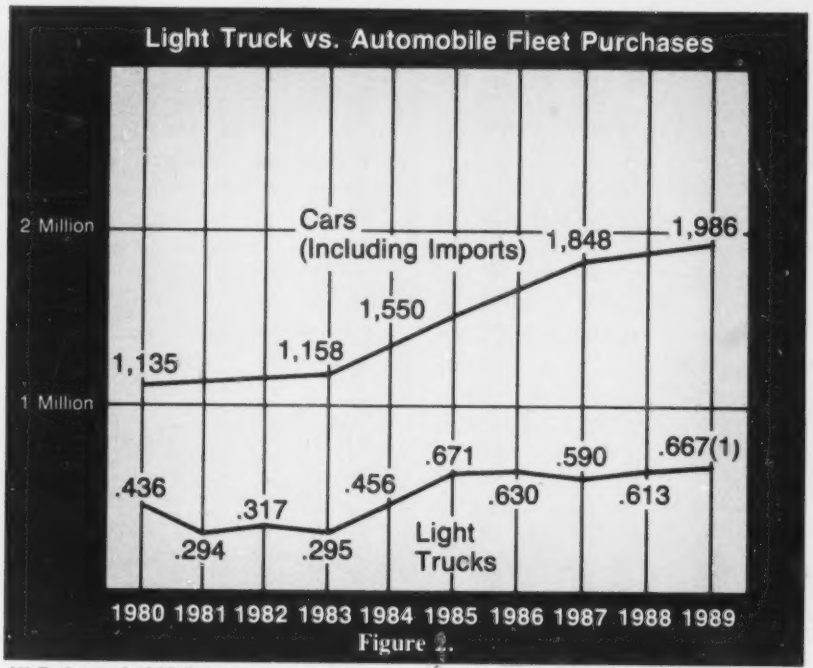


Figure 2.

(1) Estimated 1989 light truck registrations. In the first six months of 1989, there were 333,661 light-truck fleet registrations.

People

If the primary purpose of the vehicle is to transport people, then determining the number of occupants regularly carried may well decide what type of truck is needed: minivan, full-size van, and so forth. However, factoring in other features of regular usage (off-road, executive passengers, and baggage load) may lead to a different type vehicle altogether such as sport utility.

Cargo

The "chicken and the egg" syndrome occurs when "cargo" is not peope but goods and materials. The decision on whether to focus on the chassis or the body is one of the initial stumbling blocks. These factors mutually determine one another. Staying with the basic "decision path," however, it's useful to look at the cargo and see what it suggests about the body of the truck.

Most novices assume that the most important aspect of truck specification is the gross vehicle weight (GVW). But, GVW is actually the result of having first determined other features such as cargo rating, which is the ratio of the weight to the volume of cargo needed for properly sizing the payload. However, it's necessary to make sure that the full load intended for the truck does not exceed its maximum weight capacity, while making economical use of the load space.

Load density calculations relate to payload, which is simply the total combined weight of the cargo and occupants. To determine the right payload entails a non-scientific judgment call: how much over-capacity to build into the payload capacity of the truck. Specing the truck to the minimum necessary (based on average load, or looking only at today's business needs) means the truck will be operating at peak capacity most of the time. Using average payload for final specs means the truck will sometimes be overloaded — and that means breakdowns, excessive wear and tear, high maintenance costs, and poor operating economy. At the same time, too much payload capacity — capacity that is consistently unused — is an obvious waste to be avoided.

A truck expert may suggest a specific guideline, for instance, 15 percent, but your knowledge of company operations — varying workloads, new product introductions, business expansion plans, and driver preference —should provide the context for deciding how much payload to specify.

Payload plus curb weight (including optional equipment) define the gross vehicle weight — the maximum weight of a fully-loaded truck.

GVW must not ever be exceeded, so here again a reasonable overcapacity should be planned into the specs.

As important as GVW is, it alone does not tell us what class or size of truck is needed. How the cargo load is distributed is extremely important and it is determined by the gross axle weight rating (GAWR). GAWR is like the strength of a chain identifying the maximum load bearing limit of a complete axle and suspension system, made up of wheels, tires, springs but not shocks. And like a chain, the overall rating is limited by the capacity of the weakest link (usually the tires). Since GAWR is equal to the lowest rating of any of these components, one "link" cannot simply be upgraded to insure a higher GAW rating.

As in the case of the GVW rating, the gross axle weight rating cannot be exceeded without risking steering and handling problems, excess wear, and reduced vehicle life. This is another judgment call. To be safe, the vehicle's GAWR should be set higher than normal usage requires. The price for safety and reliable performance will, of course, be some loss of operating economy. However, enhanced resale value may entirely justify the expense.

At this point, the *body* requirements and class of truck have been largely identified. Now it's time to think about powertrains. In addition to engine and transmission, however, it's also necessary to look at final drive ratio requirements. These are simply the number of turns the drive shaft makes compared to the turns of the axle shaft. (A 4.10:1 ratio means the drive shaft turns 4.10 times for every turn of the rear axle.) Higher ratios usually mean high performance, and heavy loads can be moved more easily. (This is important even with vans and pickups where towing might be a consideration.)

Higher ratios make sense, for example, for fully-loaded trucks operating in congested, urban conditions. In these situations performance may be more important than operating economy — something the fleet administrator must decide.

Final drive ratio must be matched with the right transmission to yield expected performance. A high ratio, suited for city applications, could be wasted when teamed with an overdrive transmission. Heavy loads suggest the need for manual transmissions, where lower first gear ratios allow for better start-offs. If the vehicle is used off-road, a four- or five-speed manual provides better control and maneuverability.

Powertrain options cannot be decided without reference to the third critical point in the decision path: duty cycle. A review of the truck's normal operating environment will help to settle most of the remaining specification questions. How is the truck to be loaded and unloaded? Is loading manual or automated? Are forklifts used? Is loading from the ground or from a dock? The answers will indicate whether a walk-in truck or a straight truck (cab truck with van body and dock height loading floor) is appropriate.

How is the cargo distributed? Do drivers frequently stop on a regular delivery circuit? (Walk-ins are a lot easier on the driver.) If there's a stop-and-go pattern, go back and look at engine specification. Was a diesel considered? (Diesels excel in this kind of environment.) If distribution is in congested urban areas, then a short wheelbase (with its reduced turning radius), and a tall, narrow body make good sense. For inter-urban deliveries, where most of the travel takes place on highways, a longer wheelbase and lower, wider body performs better. One question to ask is whether this will affect payload and body size decisions?

Distribution patterns and operating environment also tell whether the truck should be fitted with a liftgate (for dock-to-dock loading/unloading), or a ramp. Also, the type and placement of doors will be indicated by normal operating patterns. For example, street-side side doors probably shouldn't be put on walk-ins used for city deliveries.

This detailed review of actual and planned operating conditions allows for a more complete anticipation of the additional equipment the truck will need. It's always easier and less expensive to build these items into the truck, rather than adding them later (if they can be added at all). Think about what the use of the forklifts entail: extra underframing, a hardwood floor, protective plates inside the body, and added support over the wheels. Other potential re-

Vocabulary

Payload = Occupant Weight + Cargo Weight

Gross Vehicle Weight = Curb Weight + Payload

Gross Axle Weight = Lowest Rating Within Axle/Suspension Componentry

Load Density = Cargo Weight: Cargo Volume

Figure 3.

quirements, such as refrigeration, supplemental lighting, racks, shelves, bulkheads, and the like, should be planned for now rather than later. Keep in mind, also, that the average service life of a truck is about five years. It's important to try to anticipate any significant changes in the way your company does business that are likely to occur during that time frame.

Throughout the specification process, a concern for the comfort and safety of the driver/occupants should make itself known. The manufacturer or body builder (who installs the body on the chassis) is finally responsible for certifying that the appropriate Federal Motor Vehicle Safety Standards have been met. But you should look beyond the minimal, mandatory safety requirements to see that other factors such as the most effective restraint systems, non-flammable materials, lighting, steps, and grab handles have been provided.

Looking at the specification process as a whole, it begins to appear more as a circle than a tree, since decisions in one area (engine type, for example) are impacted directly by decisions in another area such as body type. They mutually determine one another. And throughout the process, "judgment calls" must be made that strike a balance between performance and operating economy. These decisions are determined by the fleet administrator's knowledge of the company, its priorities, and its plans.

The effect of optional equipment on the resale value of trucks is a tricky issue. The more a truck's application resembles that of a car, the easier it is to believe that "what's good for cars is good for trucks." However, as the truck takes on a more utilitarian purpose, the wisdom of the rule becomes more doubtful. Do power windows help sell a stepvan? Does the market expect air conditioning on a cab and chassis?

Other options are almost always good values for trucks such as bedliners on pickups (for cosmetics and corrosion protection) and on-the-fly four-wheel drive for off-road vehicles. However, the value of specific options is something to include in your dialogue with a truck specialist. Decisions will be made — once again — by referring to the operating conditions of a truck. These include geographic area, local resale market, driver expectations, and the operating environment.

Truck engineering is not a simple task, nor is it a natural talent. It's a function that relies on two types of input: technical and proprietary.

Before ordering a truck — either for first time use or as a replacement — it may still be necessary to work with an expert who provides the technical talent the job requires. That person may be found at a dealership, a fleet management company, a body building company, or a manufacturer. Their computer-aided specification capabilities can simplify the selection of compatible options, and help fit the truck to its intended application.

What should be avoided is simply ordering duplicates of the trucks being replaced, or delegating the task completely to a third party. Fleet managers should know enough about the specification process to know where their "propriety knowledge" of the company's operations, personnel, and plans are relevant to the key decisions to be made. The fleet manager provides knowledge of the application context in which choices are made intelligently. This makes the specification process a dialogue — a shared activity where choices are not simply the result of the expert's assumption about a fleet.

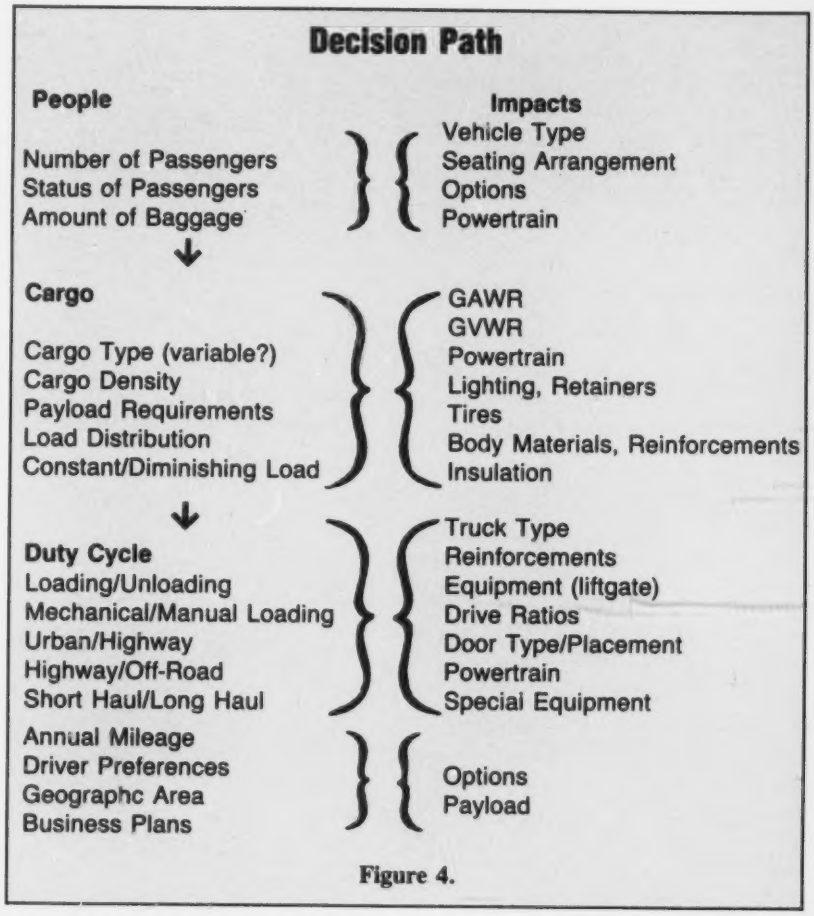
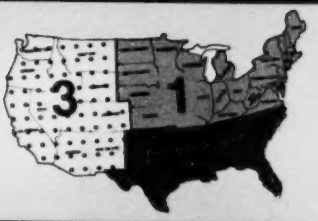


Figure 4.

USED CARS

The following are average used-car prices for the period ending November 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



88 BUICK SKYHAWK			
Coupe	6,062	6,123	5,941
Sedan	6,148	6,209	6,026
87 BUICK SKYHAWK			
Cust Coupe	4,939	4,989	4,840
Cust Sedan	5,015	5,065	4,914
88 BUICK SKYLARK			
Cust Sedan	7,486	7,562	7,337
87 BUICK SKYLARK			
Cust Sedan	6,238	6,300	6,113
88 BUICK CENTURY			
Cust Sedan	7,456	7,531	7,307
87 BUICK CENTURY			
Cust Sedan	6,247	6,309	6,122
88 BUICK LESABRE			
Cust Sedan	9,472	9,566	9,283
87 BUICK LESABRE			
Cust Sedan	7,639	7,716	7,486
88 CADILLAC DE VILLE			
Coupe	14,762	14,909	14,467
Sedan	14,936	15,086	14,637
87 CADILLAC DE VILLE			
Coupe	12,151	12,274	11,909
Sedan	12,300	12,424	12,054
88 CADILLAC SEVILLE			
Sedan	16,107	16,269	15,786
87 CADILLAC SEVILLE			
Sedan	13,613	13,749	13,341
88 CHEVY BERETTA			
Coupe	7,099	7,169	6,957
88 CHEVY CORSICA			
Sedan	6,647	6,715	6,515
87 CHEVY BERETTA			
Coupe	5,656	5,712	5,543
87 CHEVY CORSICA			
Sedan	5,226	5,279	5,122
88 CHEVY CAVALIER			
Sedan	5,890	5,950	5,773
87 CHEVY CAVALIER			
Sedan	4,559	4,604	4,468
88 CHEVY CELEBRITY			
Sedan	7,031	7,102	6,890
87 CHEVY CELEBRITY			
Sedan	5,597	5,654	5,486
88 CHEVY CAPRICE			
Sedan	7,984	8,064	7,824
87 CHEVY CAPRICE			
Sedan	6,559	6,623	6,427
88 CHRYSLER NEW YORKER			
Sedan	11,109	11,220	10,886
87 CHRYSLER NEW YORKER			
Sedan	7,934	8,013	7,775
88 CHRYSLER FIFTH AVENUE			
Sedan	10,743	10,851	10,530
87 CHRYSLER FIFTH AVENUE			
Sedan	8,525	8,609	8,354
88 DODGE ARIES AMERICA			
Sedan	5,451	5,505	5,342
87 DODGE ARIES			
Sedan	4,405	4,448	4,316
88 DODGE SHADOW			
Liftbk 5 Dr	5,791	5,850	5,677
87 DODGE SHADOW			
Liftbk 4 Dr	4,814	4,862	4,717
88 DODGE DYNASTY			
Sedan	8,784	8,872	8,609
88 FORD ESCORT			
Htchbk 4 Dr GL	4,914	4,964	4,816
87 FORD ESCORT			
Htchbk 4 Dr GL	3,924	3,964	3,846
88 FORD MUSTANG			
LX-4 Coupe	6,655	6,722	6,522
87 FORD MUSTANG			
LX-4 Coupe	5,409	5,464	5,301
88 FORD TEMPO			
GL Sedan 4 Dr	5,885	5,945	5,767
87 FORD TEMPO			
GL Sedan 4 Dr	4,705	4,753	4,611
88 FORD TAURUS			
GL Sedan 4 Dr	7,927	8,006	7,769
87 FORD TAURUS			
GL Sedan 4 Dr	6,529	6,594	6,399
88 FORD CROWN VICTORIA			
Sedan	10,175	10,277	9,972
87 FORD CROWN VICTORIA			
Sedan	8,462	8,547	8,293
88 FORD THUNDERBIRD			
Coupe	8,979	9,069	8,799
87 FORD THUNDERBIRD			
Coupe	7,527	7,601	7,376
88 LINCOLN			
Town Car Sedan	15,003	15,152	14,702
Mark VII Coupe	16,698	16,864	16,363
Continental Sedan	18,544	18,729	18,173
87 LINCOLN			
Town Car Sedan	12,617	12,742	12,364
Mark VII Coupe	13,516	13,652	13,246
Continental Sedan	13,722	13,860	13,448
86 MAZDA 626			
LX Sedan 4 Dr	8,709	8,795	8,534
88 MERCURY COUGAR			
LS Coupe	9,398	9,492	9,210
87 MERCURY COUGAR			
LS Coupe	7,905	7,983	7,747
88 MERCURY TOPAZ			
GS Sedan 4 Dr	6,011	6,070	5,890
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,739	4,787	4,644
88 MERCURY SABLE			
GS Sedan	8,049	8,129	7,887
87 MERCURY SABLE			
GS Sedan	6,555	6,620	6,424
88 MERCURY GRAND MARQUIS			
Sedan	10,710	10,817	10,496
87 MERCURY GRAND MARQUIS			
Sedan	9,065	9,155	8,883
88 NISSAN SENTRA			
Sedan 2 Dr	4,703	4,750	4,609
88 NISSAN STANZA			
E Ntch 4 Dr	7,595	7,671	7,443
88 NISSAN MAXIMA			
SE Sedan	11,707	11,826	11,473
87 NISSAN SENTRA			
Sedan 2 Dr	3,848	3,886	3,769
87 NISSAN STANZA			
E Ntch 4 Dr	6,041	6,101	5,919
87 NISSAN MAXIMA			
SE Sedan	9,050	9,140	8,869
86 OLDS CIERA			
Coupe	7,376	7,449	7,228
Sedan	7,456	7,531	7,307
87 OLDS CIERA			
S Coupe	6,230	6,292	6,106
Sedan	6,302	6,366	6,177
88 OLDS CALAIS			
Sedan	7,403	7,476	7,254
87 OLDS CALAIS			
Sedan	6,245	6,307	6,120
88 OLDS CUTLASS SUPREME			
Coupe	8,609	8,696	8,437
87 OLDS CUTLASS SUPREME			
Coupe	7,231	7,304	7,087
Sedan	7,231	7,304	7,087
88 OLDS 98 REGENCY			
Sedan	11,107	11,218	10,885
87 OLDS 98 REGENCY			
Sedan	9,217	9,309	9,032
88 PLYMOUTH RELIANT			
Sedan	5,451	5,505	5,342
87 PLYMOUTH RELIANT			
Sedan	4,418	4,462	4,330
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,787	5,845	5,672
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,783	4,830	4,687
88 PLYMOUTH GRAN FURY			
Salon Sedan	6,159	6,221	6,036
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,944	4,994	4,845
88 PONTIAC SUNBIRD			
SE Coupe	6,129	6,191	6,007
Sedan	6,212	6,273	6,087
87 PONTIAC SUNBIRD			
SE Coupe	4,808	4,856	4,712
Sedan	4,735	4,782	4,640
88 PONTIAC 6000			
Coupe	7,126	7,197	6,983
Sedan	7,204	7,276	7,060
87 PONTIAC 6000			
Coupe	5,737	5,794	5,622
Sedan	5,803	5,861	5,688
88 PONTIAC GRAND AM			
Sedan	7,246	7,318	7,100
87 PONTIAC GRAND AM			
Sedan	6,418	6,482	6,290
88 PONTIAC BONNEVILLE			
Sedan	9,373	9,467	9,186
87 PONTIAC BONNEVILLE			
Sedan	7,960	8,039	7,801
88 PONTIAC GRAND PRIX			
Coupe	8,783	8,871	8,608
87 PONTIAC GRAND PRIX			
Coupe	7,277	7,350	7,131
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,745	6,814	6,612
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	9,161	9,254	8,979
88 TOYOTA CRESSIDA			
Lux Sedan	13,743	13,881	13,469
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	5,387	5,439	5,277
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,810	7,889	7,657
87 TOYOTA CRESSIDA			
Lux Sedan	11,362	11,472	11,133
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,250	7,322	7,106
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,971	6,030	5,851

CALENDAR

DECEMBER

Nov. 30-Dec. 3—Avis Licensee Meeting, Fairmont Hotel, San Francisco, CA. Information: (516) 222-3000.

5-6—National Vehicle Leasing Association, The Foundations of Leasing Seminar, Adams Mark Hotel, Indianapolis, IN. Information: (213) 838-3170

5-7—Maintenance Management Seminar, Michigan State University, East Lansing, MI. Information: (517) 353-1790.

JANUARY

6-14—North American International Auto Show, Cobo Hall, Detroit, MI. Information: (313) 872-4311.

6-14—Los Angeles Auto Show, Los Angeles Convention Center, Los Angeles, CA. Information: (213) 748-8531.

16-17—National Vehicle Leasing Association, The Foundations of Leasing Seminar, Holiday Inn Raritan Center, Edison, NJ. Information: (213) 838-3170.

FEBRUARY

10-13—National Automobile Dealers Association Annual Convention, Convention Center, Las Vegas, NV. Information: (703) 821-7000.

21-24—American Automotive Leasing Association Convention, Doral Country Club, Miami, FL. Information: (202) 223-2600.

25-Mar. 1—American Car Rental Association, 12th Annual Convention, Arizona Biltmore, Phoenix, AZ. Information: (202) 223-2118.

MARCH

4-7—Limousine & Chauffeur Show, Las Vegas Hilton, Las Vegas, NV. Information: (213) 376-8788.

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GAS PRICES

DECEMBER 1989

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	165.9[c]	150.2[c]
Selma, AL	112.0	102.1
Pasadena, CA	136.9	85.6
Glenwood Springs, CO	149.5	131.9
Washington, DC	143.9	110.6
Jacksonville, FL	143.9	92.5
Maui, HI	183.9	144.6
Indianapolis, IN	137.6	96.9
Kansas City, MO	128.0	94.7
Uniontown, PA	116.0	87.9
Charleston, SC	122.9	95.9
Nashville, TN	136.6	98.9
San Antonio, TX	127.9	90.9
Milwaukee, WI	130.3	97.7
Casper, WY	132.9	110.4

Survey conducted during the first five working days of November 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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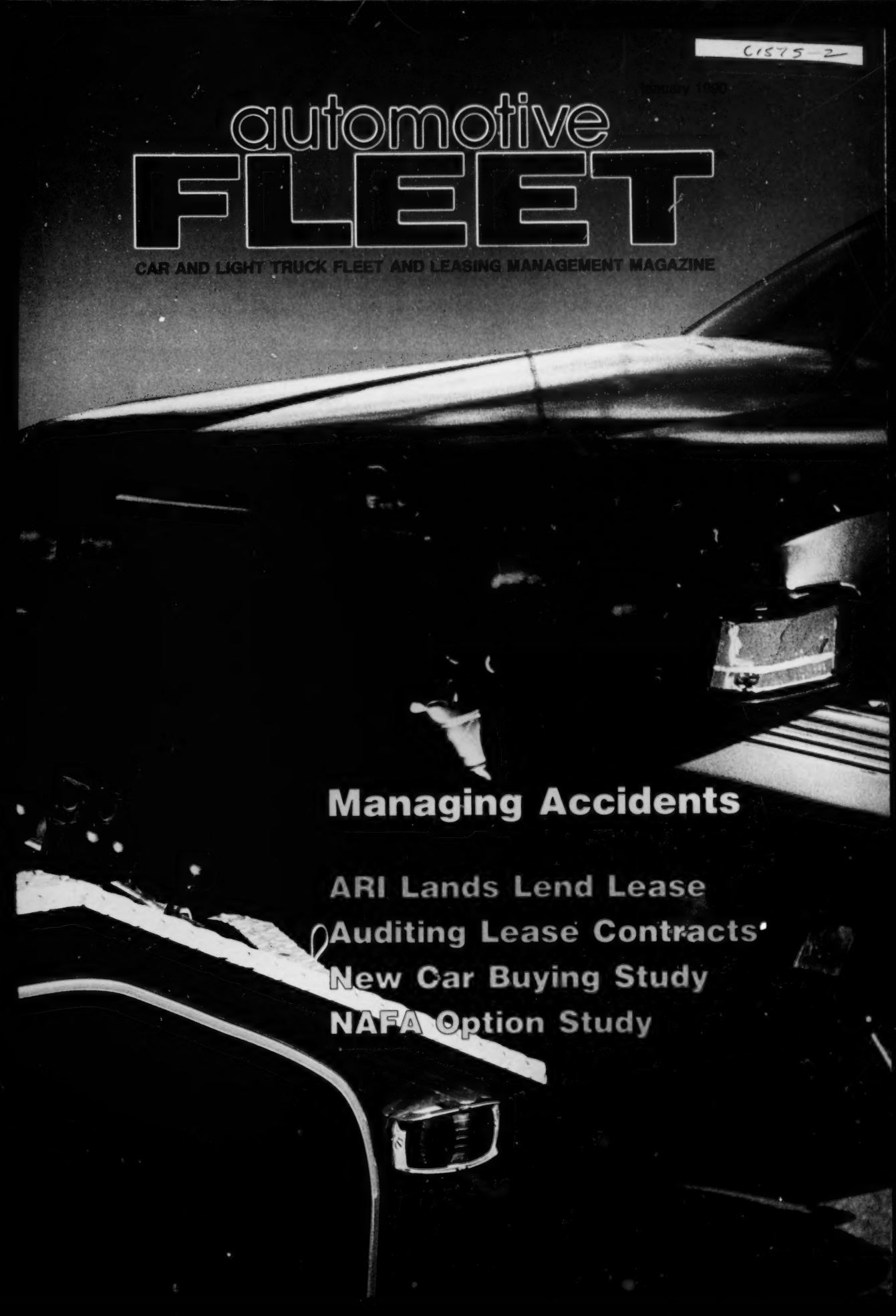
January 1990

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



Managing Accidents

ARI Lands Lend Lease

Auditing Lease Contracts

New Car Buying Study

NAFA Option Study

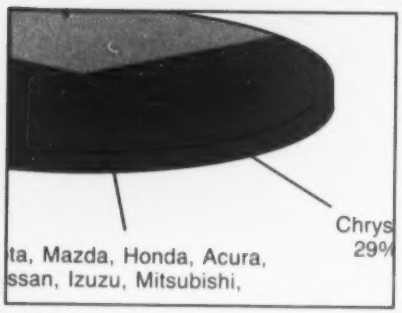
automotive
FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JANUARY 1990
VOL. 29,NO. 3

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

Features



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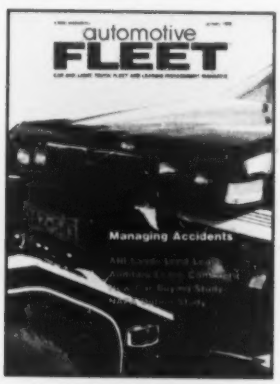

On the cover: Dealing with fender benders, or in some cases, totaled vehicles can consume much of a fleet manager's time. One alternative is lessor accident management programs. Our story begins on page 22.

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How to take the administrative headaches out of accidents.

30 **Optimizing Fleet Option Packaging**
A NAFA study recommends a "base vehicle" configuration and manufacturers comment on the proposal.

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50 **New Lessor Products and Services**
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According to a survey conducted by the National Association of Fleet Administrators, most major corporations are planning to increase the number of vehicles in their fleets during the 1990-model year.

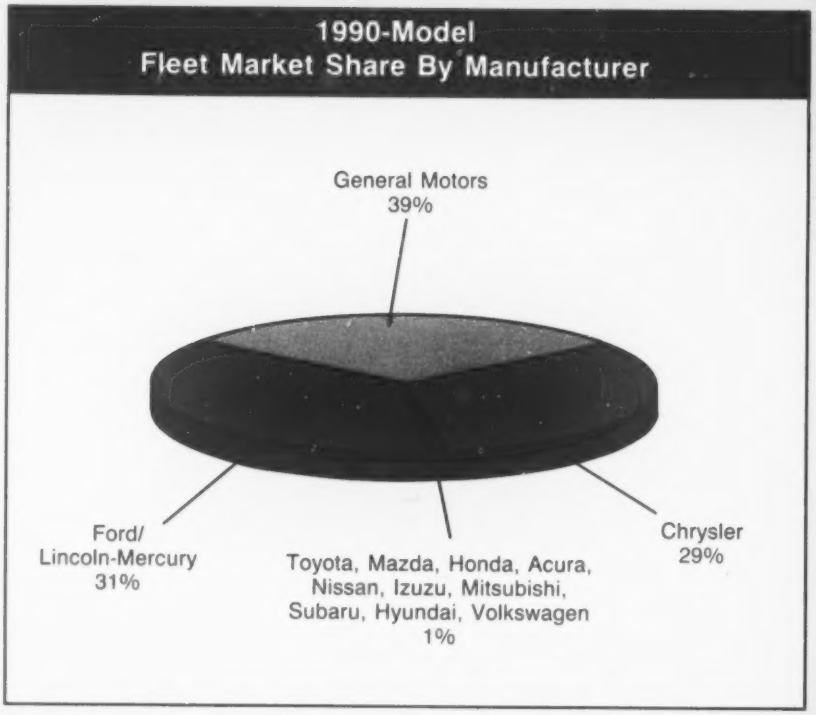
NAFA's 1990 New Vehicle Acquisition Survey

Fleets will purchase or lease more than 123,000 1990-model year cars, vans, and light-duty trucks for over $1.6 billion, according to results of the National Association of Fleet Administrators' 1990-Model Year New Vehicle Acquisition Survey. Of the 123,419 new model-year vehicles to be purchased or leased, 63 percent will be automobiles, 20 percent will be vans and 17 percent will be light-duty trucks, according to survey results. This is a change from last year's survey results where almost 75 percent of the new purchases were cars, 13 percent were vans, and 14 percent were light-duty trucks.

"As we expected, the future of the company-provided vehicle is not in doubt among major corporations," notes NAFA Executive Director David Lefever.

Responding fleet managers also said they expect to pay an average of $12,854 (up $50 from last year) for each automobile, $14,272 (up $926) for each van, and $14,194 (up $848) for each light-duty truck. At those average costs, responding fleets will spend a total of $1,660,775,498 for the 123,419 new model-year vehicles. "Despite rising costs, employers continue to value the investment in company-provided vehicles," says Lefever.

1990-Model Fleet Market Share By Manufacturer



Initial cost is the most important factor in vehicle selection, fleet executives reported. Other key criteria were suitability to the drivers' needs, repair record, economy of operation, depreciation/resale value, serviceability, and safety record. Of lesser concern were warranty programs, delivery, company image, driver preference, administrative ease, insurance costs, and fringe benefit value.

Fleet managers placing orders for 1990-model year vehicles said General Motors will receive 39 percent of their orders while Ford/Lincoln-Mercury will receive 31 percent and Chrysler/Jeep will tally 29 percent. Chrysler/Jeep had the greatest percentage increase of fleet orders over last year's survey results — 11 percent, compared with GM's five percent and Ford/Lincoln-Mercury's 0.7 percent.

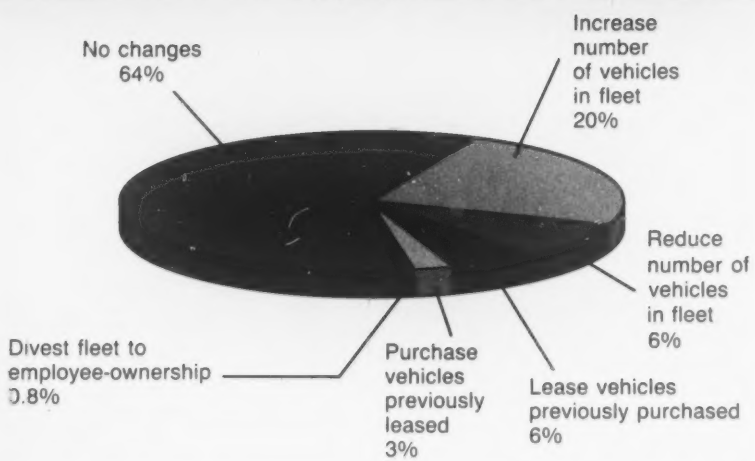
Average 1990—Model Purchase Prices

$12,854 Passenger Cars

$14,194 Light-Duty Trucks

$14,272 Vans

Fleet Policy Changes for 1990



All imports listed on the survey form or written in by respondents (Toyota, Mazda, Honda, Acura, Nissan, Isuzu, Mitsubishi, Subaru, Hyundai, and Volkswagen) *combined* will get one percent of 1990 fleet orders, according to the survey.

"Although imports or foreign-nameplate vehicles built in the U.S. are being tested by a number of fleets, the traditional domestic manufacturers still dominate the corporate and government fleet markets," says Lefever.

Consistency

Although 64 percent of responding fleets do not plan any change in their fleet operations within the next year, 20 percent said they will increase the number of vehicles in their fleets while six percent will decrease the number of vehicles purchased. In addition, three percent of the responding fleet said they will purchase vehicles rather than lease units they are replacing. Six percent reported that they will lease vehicles which were previously purchased. Less than one percent (0.8 percent) of the respondents will divest most of their fleets to employee ownership.

Similarly, 95 percent of the respondents do not plan any changes in size or type of vehicles used in their fleet operations. For the five percent of respondents planning to change vehicle size or type, most said they will move up to mid-size cars from compacts, the opposite of last year's results.

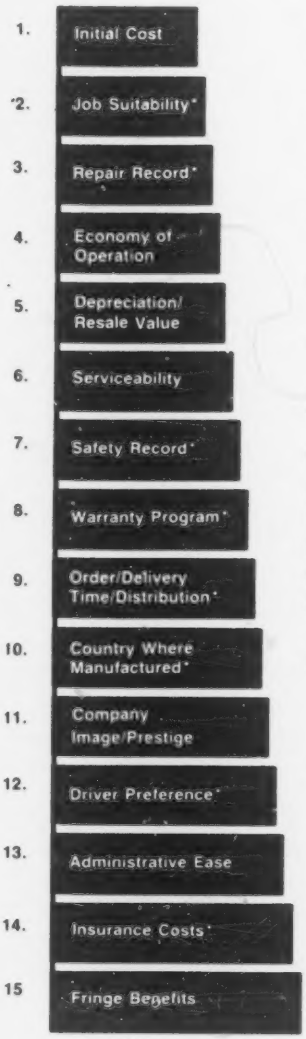
One area of consistency among responding fleet managers was that they selected the same equipment for their "option wish list" as last year. Again this year, if fleet managers could have their choice of options on cars, vans, and light-duty trucks, they would choose:

- Air Conditioning.
- All-Season Tires.
- AM/FM Radio.
- Automatic Transmission.
- Dual Side Mirrors.
- Floor Mats.
- Fuel Injection.
- Power Brakes.
- Power Steering.
- Pulse Wipers.
- Rear Defrost.
- Tinted Glass.

Options not high on fleet manag-

New Vehicle Acquisition Factors

1990-Model Acquisition Factors



For the sixth straight year, NAFA survey respondents overwhelmingly cited "Initial Cost" as the single most important factor in new fleet vehicle acquisition.

NAFA members were asked to select among 15 acquisition considerations and rank each according to the following scale:

1 = Most Important (considered every time; great weight given).

2 = Very Important (considered most times; significant weight given).

3 = Important (considered most times; average weight given).

4 = Somewhat Important (considered sometimes; some weight given).

5 = Little Importance (considered occasionally; little weight given).

6 = No Importance (not considered; no weight given).

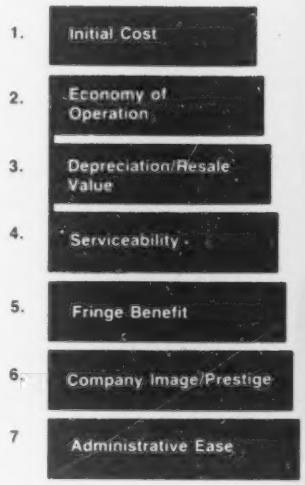
Of the responding fleet managers, 450 gave "Initial Cost" an overall average of 1.7333. The next closest average was for "Job Suitability" with an overall average of 2.0777. This consideration was added to this year's survey for the first time. Job suitability is defined as to how well a vehicle is suited for the job it was intended to do.

Listed below are the 15 acquisition factors in descending order of importance.

Initial Cost	1.7333
Job Suitability*	2.0777
Repair Record*	2.4955
Economy of Operation	2.5355
Depreciation/Resale Value	2.5844
Serviceability	2.6755
Safety Record*	2.7577
Warranty Program*	2.9733
Order/Delivery Time/Distribution*	3.1022
Country Where Manufactured*	3.2755
Company Image/Prestige	3.4288
Driver Preference*	3.8088
Administrative Ease	3.9888
Insurance Costs*	4.1466
Fringe Benefit	4.4177

*New factor; not part of last year's survey

1989-Model Acquisition Factors



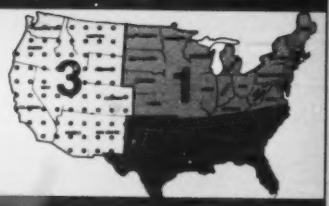
ers' wish lists for the second straight year are: AM/FM cassette stereo, cellular phone, mud guards, optional paint, power door locks, power gas cap release, power seats, power trunk release, power windows, split front seat, and vinyl roof.

Demographics

NAFA's new vehicle acquisition survey received 379 responses from fleet managers in the United States. Among total respondents, four out of five (346) were from commercial fleets, while 90 were from public service fleets. Responding fleets control 377,453 vehicles—195,511 (52 percent) company-owned and 181,942 (48 percent) leased. Automobiles comprise 64 percent of these fleets, light-duty trucks 19 percent, and vans 17 percent. AF

USED CARS

The following are average used-car prices for the period ending December 1, 1989. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



88 BUICK SKYHAWK			
Coupe	5,631	5,687	5,519
Sedan	5,711	5,767	5,599
87 BUICK SKYHAWK			
Cust Coupe	4,602	4,648	4,510
Cust Sedan	4,674	4,720	4,579
88 BUICK SKYLARK			
Cust Sedan	6,883	6,953	6,746
87 BUICK SKYLARK			
Cust Sedan	5,765	5,823	5,649
88 BUICK CENTURY			
Cust Sedan	6,946	7,017	6,808
87 BUICK CENTURY			
Cust Sedan	5,779	5,837	5,664
88 BUICK LESABRE			
Cust Sedan	8,835	8,922	8,659
87 BUICK LESABRE			
Cust Sedan	7,418	7,493	7,270
88 CADILLAC DE VILLE			
Coupe	14,138	14,279	13,854
Sedan	14,304	14,447	14,018
87 CADILLAC DE VILLE			
Coupe	11,637	11,754	11,405
Sedan	11,780	11,899	11,544
88 CADILLAC SEVILLE			
Sedan	15,316	15,469	15,010
87 CADILLAC SEVILLE			
Sedan	12,970	13,101	12,712
88 CHEVY BERETTA			
Coupe	6,581	6,645	6,449
88 CHEVY CORSICA			
Sedan	6,180	6,244	6,059
87 CHEVY BERETTA			
Coupe	5,269	5,322	5,165
87 CHEVY CORSICA			
Sedan	4,858	4,909	4,763
88 CHEVY CAVALIER			
Sedan	5,561	5,617	5,450
87 CHEVY CAVALIER			
Sedan	4,265	4,307	4,181
88 CHEVY CELEBRITY			
Sedan	6,498	6,564	6,368
87 CHEVY CELEBRITY			
Sedan	5,199	5,251	5,096
88 CHEVY CAPRICE			
Sedan	7,288	7,360	7,142
87 CHEVY CAPRICE			
Sedan	5,939	5,997	5,818
88 CHRYSLER NEW YORKER			
Sedan	10,299	10,402	10,092
87 CHRYSLER NEW YORKER			
Sedan	7,409	7,481	7,260
88 CHRYSLER FIFTH AVENUE			
Sedan	10,133	10,235	9,932
87 CHRYSLER FIFTH AVENUE			
Sedan	7,584	8,062	7,823
88 DODGE ARIES AMERICA			
Seda	5,048	5,097	4,947
87 DODGE ARIES			
Sedan	4,067	4,107	3,985
88 DODGE SHADOW			
Liftbk 5 Dr	5,379	5,434	5,273
87 DODGE SHADOW			
Liftbk 4 Dr	4,453	4,498	4,364
DODGE DYNASTY			
Sedan	8,143	8,225	7,980

88 FORD ESCORT			
Htchbk 4 Dr GL	4,569	4615	4,479
FORD ESCORT			
Htchbk 4 Dr GL	3,630	3,668	3,559
FORD MUSTANG			
LX-4 Coupe	6,150	6,213	6,026
87 FORD MUSTANG			
LX-4 Coupe	5,025	5,075	4,924
88 FORD TEMPO			
GL Sedan 4 Dr	5,466	5,522	5,358
87 FORD TEMPO			
GL Sedan 4 Dr	4,393	4,438	4,305
88 FORD TAURUS			
GL Sedan 4 Dr	7,297	7,370	7,152
87 FORD TAURUS			
GL Sedan 4 Dr	6,052	6,112	5,932
88 FORD CROWN VICTORIA			
Sedan	9,442	9,536	9,254
87 FORD CROWN VICTORIA			
Sedan	7,884	7,963	7,726
88 FORD THUNDERBIRD			
Coupe	8,383	8,486	8,216
87 FORD THUNDERBIRD			
Coupe	6,928	6,997	6,788
88 LINCOLN			
Town Car Sedan	14,266	14,409	13,979
Mark VII Coupe	15,846	16,003	15,527
Continental Sedan	17,598	17,774	17,247
LINCOLN			
Town Car Sedan	11,998	12,116	11,757
Mark VII Coupe	12,788	12,917	12,532
Continental Sedan	12,982	13,113	12,723
88 MAZDA 626			
LX Sedan 4 Dr	8,622	8,708	8,450
88 MERCURY COUGAR			
LS Coupe	8,757	8,845	8,582
87 MERCURY COUGAR			
LS Coupe	7,276	7,348	7,130
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,556	5,609	5,443
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,402	4,447	4,314
88 MERCURY SABLE			
GS Sedan	7,408	7,481	7,260
87 MERCURY SABLE			
GS Sedan	6,076	6,138	5,955
88 MERCURY GRAND MARQUIS			
Sedan	9,949	10,048	9,751
MERCURY GRAND MARQUIS			
Sedan	8,455	8,538	8,285
88 NISSAN SENTRA			
Sedan 2 Dr	4,656	4,703	4,563
88 NISSAN STANZA			
E Ntch 4 Dr	7,519	7,594	7,369
88 NISSAN MAXIMA			
SE Sedan	11,590	11,706	11,358
87 NISSAN SENTRA			
Sedan 2 Dr	3,810	3,848	3,734
87 NISSAN STANZA			
E Ntch 4 Dr	5,981	6,041	5,861
87 NISSAN MAXIMA			
SE Sedan	8,959	9,049	8,780
88 OLDS CALAIS			
Sedan	6,806	6,873	6,671
87 OLDS CALAIS			
Sedan	5,772	5,830	5,655

88 OLDS CIERA			
Coupe	6,872	6,940	6,735
Sedan	6,946	7,017	6,808
87 OLDS CIERA			
S Coupe	5,764	5,821	5,649
Sedan	5,830	5,890	5,714
88 OLDS CUTLASS SUPREME			
Coupe	7,924	8,004	7,766
OLDS CUTLASS SUPREME			
Coupe	6,669	6,735	6,536
Sedan	6,669	6,735	6,536
OLDS 98 REGENCY			
Sedan	10,381	10,485	10,173
87 OLDS 98 REGENCY			
Sedan	8,650	8,736	8,476
PLYMOUTH RELIANT			
Sedan	5,073	5,123	4,973
87 PLYMOUTH RELIANT			
Sedan	4,087	4,127	4,006
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,375	5,429	5,268
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,434	4,479	4,345
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,640	5,697	5,527
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,518	4,563	4,427
88 PONTIAC SUNBIRD			
SE Coupe	5,693	5,752	5,580
Sedan	5,770	5,827	5,655
87 PONTIAC SUNBIRD			
SE Coupe	4,466	4,512	4,378
Sedan	4,398	4,443	4,310
88 PONTIAC 6000			
Coupe	6,571	6,638	6,441
Sedan	6,645	6,711	6,511
87 PONTIAC 6000			
Coupe	5,318	5,371	5,211
Sedan	5,380	5,434	5,273
PONTIAC GRAND AM			
Sedan	6,683	6,749	6,548
87 PONTIAC GRAND AM			
Sedan	5,962	6,021	5,843
88 PONTIAC BONNEVILLE			
Sedan	8,788	8,875	8,512
87 PONTIAC BONNEVILLE			
Sedan	7,463	7,537	7,314
88 PONTIAC GRAND PRIX			
Coupe	8,109	8,190	7,948
87 PONTIAC GRAND PRIX			
Coupe	6,732	6,800	6,598
TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,711	6,778	6,577
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	9,019	9,109	8,839
88 TOYOTA CRESSIDA			
Lux Sedan	13,606	13,742	13,334
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	5,306	5,359	5,200
TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,693	7,770	7,539
87 TOYOTA CRESSIDA			
Lux Sedan	11,248	11,360	11,023
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,141	7,212	6,998
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,911	5,970	5,793

CALENDAR

JANUARY

6-14–North American International Auto Show, Cobo Hall, Detroit, MI. Information: (313) 872-4311.

6-14–Los Angeles Auto Show, Los Angeles Convention Center, Los Angeles, CA. Information: (213) 748-8531.

16-17–National Vehicle Leasing Association, The Foundations of Leasing Seminar, Holiday Inn Raritan Center, Edison, NJ. Information: (213) 838-3170.

FEBRUARY

6-8–National Association of Fleet Administrators, Professional Fleet Management Education Seminars, Marriott Hotel, San Diego, CA. Information: (201) 494-8100.

10-13–National Automobile Dealers Association Annual Convention, Convention Center, Las Vegas, NV. Information: (703) 821-7000.

21-24–American Automotive Leasing Association Convention, Doral Country Club, Miami, FL. Information: (202) 223-2600.

25-Mar.1–American Car Rental Association, 12th Annual Convention, Arizona Biltmore, Phoenix, AZ. Information: (202) 223-2118.

MARCH

4-7–Limousine & Chauffeur Show, Las Vegas Hilton, Las Vegas, NV. Information: (213) 376-8788.

11-14–Consumer Bankers Association, Automobile Finance Conference, Registry Hotel, Denver, CO. Information: (703) 276-1750.

APRIL

19-21–National Truck Equipment Association Annual Convention, Washington Convention Center, Washington, D.C. Information: (800) 321-1988.

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GAS PRICES

City	UNLEADED Cost Per Gallon Unleaded Full-Serve	Self-Serve
Pine Bluff, AR	127.6¢	84.6¢
Phoenix, AZ	143.4	104.6
Inglewood, CA	153.9	88.9
Hartford, CT	133.2	112.6
Augusta, GA	125.4	91.2
Des Moines, IA	153.5	100.9
Kansas City, KS	125.9	100.2
Baton Rouge, LA	146.4	103.4
Detroit, MI	131.8	94.6
Great Falls, MT	123.9	108.4
Charlotte, NC	130.4	104.4
Albany, NY	133.9	91.9
Oklahoma City, OK	133.1	92.9
Erie, PA	112.9	87.9
Everett, WA	134.9	91.9

Survey conducted during the first five working days of December 1989.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

C575-2-A

11th Annual
Top 100 Fleets

a bobit publication

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Recycling Trends
One-Ton Truck Review
Creating Fleet Policy
Chevrolet Assesses 1990
Fleet Expense Analysis

1991 Chevrolet Caprice

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

February 1990
VOL. 29,NO. 4

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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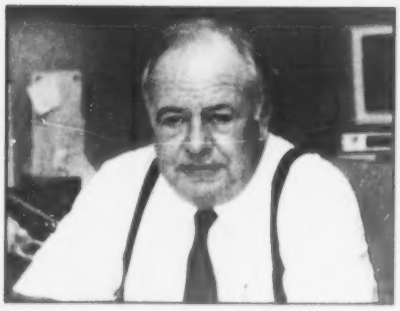

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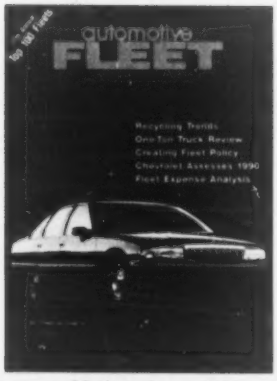

On the cover: Marketed as a 1991-model, the restyled Chevrolet Caprice is longer and wider than its predecessor and will be available in April 1990. For a complete preview, our story begins on page 35.

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The economics of fleet vehicle replacement revolves around determining the best time to sell used cars. There are four criteria for determining when to dispose fleet units: mileage, age, residual value, and vehicle condition.

Vehicle Replacement: An Industry Overview

The proper replacement of fleet vehicles is a complex problem because of the numerous factors that must be considered and analyzed. However, the combination of time and mileage remains the most common vehicle replacement criteria among business-car fleets (Table 1).

Resale is another consideration in determining vehicle replacement. Very few fleets turn their vehicles over as one-year-old models unless mileage is unusually high, say 35,000 to 40,000 miles. One-year-old models depreciate between 20 and 35 percent, two-year-old models between 40 to 60 percent, and three-years-old units average between 65 and 75 percent.

"The first year a car is in service it needs to depreciate a certain amount to get your money back," says Janice Williamson, fleet operations manager for Shaklee Corp. in Hayward, CA.

According to Jim Culotta, president of McCullagh Leasing, the maximum resale value is gained when units are replaced before the 50,000-mile "psychological limit" is reached. Presently, the average annual mileage for a commercial fleet automobile is 22,000 miles. This means that the optimum replacement cycle is about 30 months.

While resale is important in ana-

Vehicle Replacement Criteria Used by Firms with Company-Provided Business Cars

	Percent of Respondents			
Replacement Criteria	1983	1985	1987	1989
Time and Mileage	62%	61%	56%	66%
Mileage Only	14%	12%	21%	13%
Time Only	9%	9%	13%	6%
Condition	N/A	N/A	N/A	8%
No Replacement Policy	15%	18%	10%	7%

Table 1.

**Source: Runzheimer International*

Percent of Fleet Replaced Per Year

	1989
Average:	**32.4%**
Median:	**30.0%**
Percent of Fleet Replaced Each Year	**Percent of 1989 Respondents**
Less than 25%	21%
25%	15%
26% to 32%	18%
33%	14%
34% to 49%	15%
50%	12%
More than 50%	5%

Table 2.

**Source: Runzheimer International*

Percent of Fleet Replaced Per Year By Type of Management

	Company-Owned	Company-Leased
Average:	**30.7%**	**33.5%**
Median:	**30.0%**	**33.0%**

Percent of Fleet Replaced Per Year	Percent of 1989 Respondents Company-Owned	Company-Leased
Less than 25%	23%	16%
25%	16%	13%
26% to 32%	19%	17%
33%	13%	18%
34% to 49%	12%	18%
50%	11%	13%
More than 50%	6%	5%

Table 3.

** Source: Runzheimer International*

Replacement Limits Specified by Firms Using Mileage Criterion

	1985	1987	1989
Average:	65,308	71,043	68,816

	Percent of Repondents 1983	1985	1987	1989
Less than 45,000	1%	2%	2%	3%
45,000-50,000	15%	18%	15%	10%
50,001-55,000	12%	13%	6%	13%
55,001-60,000	36%	31%	23%	20%
60,001-65,000	6%	5%	1%	15%
65,001-70,000	7%	13%	9%	5%
70,001-75,000	3%	6%	9%	9%
75,001-80,000	6%	1%	11%	4%
80,001-85,000	0%	1%	2%	4%
85,001-90,000	2%	1%	5%	3%
90,001-95,000	0%	0%	2%	1%
95,001-100,000	12%	9%	15%	13%

Table 4.

**Source: Runzheimer International*

lyzing fleet replacement, it must be considered in conjunction with other factors. In fact, the best replacement policy may not always yield the highest resale value. All costs associated with vehicle replacement must be examined individually and together. Resale value cannot be singled out as the sole basis of a replacement policy.

Industry Trends

One factor causing vehicle replacement policies to vary by fleet is economic conditions. For instance, replacement cycles tend to lengthen when the used-car market softens. Fleets retain older vehicles longer when residual values are dramatically lower than those projected at the time of vehicle selection. Under these circumstances, time becomes less important as a replacement criterion and some fleets focus instead on mileage limits.

However, a recent survey by the National Association of Fleet Administrators indicates that the current trend among fleets is to keep vehicles for shorter periods of time than stated in their written replacement policies. Nevertheless, another aspect of this trend is that vehicles, on the average, are being disposed at higher mileage levels.

According to surveyed NAFA members, the average service life of fleet vehicles in 1988 was 32 months/64,540 miles. But written replacement policies averaged 36 months/60,000 miles between 1986 and 1988. This is not true for light-duty trucks and minivans.

For instance, light-duty trucks have an average service term that ranges from 60.2 months/77,124 miles to 36 months/75,000 miles. This is in conformance with the written replacement cycles for light-duty trucks which average 60 months and range from 60,000 to 75,370 miles.

Similarly, the average term in service for minivans is in line with their written replacement poli-

cies which average between 36 months/60,000 miles to 49 months/66,992 miles.

The average fleet replaces about a third of its business cars per year (Table 2), as reported in a recent survey by Runzheimer International.

One factor causing vehicle replacement policies to vary by fleet is economic conditions. For instance, replacement cycles tend to lengthen when the used-car market softens.

The survey revealed that leased fleets tend to replace a larger percentage of their fleets per year than company-owned fleets (Table 3). This is because lease terms typically establish the time frame that a leased car will remain in a fleet. In contrast, company-owned fleets tend to look at other factors such as resale value and condition before replacing a fleet car.

According to the Runzheimer survey, 13 percent of the respondents stated that their sole replacement criterion was vehicle mileage. This is particularly true of fleets that have 1,000 or more units.

By basing the replacement decision on a specific mileage level, fleet managers can minimize resale loss associated with high mileage. Another advantage is that the cost of acquisition is amortized over the maximum number of miles, before those miles become a liability. The negative aspect of a high-mileage replacement point is the penalty of replacement costs. The longer a car is kept in service, the more it will cost to keep it operable. And with continuing fuel economy improvements in new cars, putting miles on a relatively inefficient car adds another cost penalty. Maintenance costs are low during the first 40,000 miles, but by 65,000 to 70,000 miles, they have doubled. Tire and repair expenses are directly related to miles driven and accelerate beyond the 60,000-mile mark. Oil expenses remain fairly stable until the 70,000-mile mark is reached when, historically, oil usage and cost increase significantly. Replacing the vehicle early avoids these expenses.

Although the largest percentage of respondents to the Runzheimer survey (20 percent) use the 55,001 to 60,000 mileage range as a replacement criterion, the average is just under 70,000 miles (Table 4). Two-thirds of the Runzheimer survey respondents that use time-in-service to replace their business cars do so after 36 months in fleet operation (Table 5).

The survey data on replacement cycles underscores the problems facing fleet managers in vehicle disposal. The used-car market in recent years has been overstocked

Replacement Limits on Business Cars Specified by Firms Using the Time Criterion

Average:		1985 30	1987 39	1989 38
		Percent of Respondents		
Number of Months	1983	1985	1987	1989
12	7.4%	11.1%	5.9%	1.9%
13	0.0%	1.9%	0.0%	0.0%
18	0.0%	0.0%	3.4%	2.2%
24	39.6%	33.3%	23.6%	15.9%
26	5.9%	3.7%	1.1%	0.0%
27	1.5%	7.4%	0.0%	0.0%
28	1.5%	0.0%	0.0%	0.0%
30	4.4%	3.7%	2.2%	12.4%
36	30.8%	29.6%	34.8%	37.6%
42	1.5%	1.9%	0.0%	5.8%
48	4.4%	3.7%	13.5%	12.6%
50	0.0%	0.0%	1.1%	0.0%
54	0.0%	0.0%	0.0%	1.1%
60	1.5%	0.0%	7.9%	8.0%
72	0.0%	3.7%	2.2%	1.1%
78	0.0%	0.0%	0.0%	0.3%
84	1.5%	0.0%	0.0%	0.0%
90	0.0%	0.0%	0.0%	0.3%
96	0.0%	0.0%	2.2%	0.8%
108	0.0%	0.0%	1.1%	0.0%
158	0.0%	0.0%	1.0%	0.0%

Table 5.

**Source: Runzheimer International*

Vehicle Replacement Criteria By Fleet Size

	Percent of 1989 Respondents			
Number of Cars	Time Only	Mileage Only	Time and Mileage	Condition
25 or Less	8%	14%	56%	22%
26-100	5%	12%	69%	14%
101-300	4%	12%	76%	8%
301-500	2%	13%	79%	6%
501-1,000	4%	4%	83%	9%
1,001 or More	2%	16%	75%	7%

Table 6.

*Source: Runzheimer International

with relatively low-mileage vehicles as opposed to higher mileage commercial fleet cars. To adjust to these market conditions, some fleets are extending lifecycles — particularly company-owned fleets that are not tied to lease agreements.

Although most fleets replace vehicles based on combinations of time in service (just over three years, on average) and miles driven (just over 65,000 miles on average), some fleets consider other replacement factors. Certain fleets are changing their approach to consider vehicle condition. Vehicle condition as a replacement criteria is used most often by small fleets (Table 6). If a vehicle's appearance and mechanical condition justify keeping it in fleet use a while longer, these fleets reason: why dispose of it? On the other hand, other fleets have recognized that in today's used-car market, it's the low-mileage vehicle that returns the highest dollar on investment AF

Replacement Criteria For A Utility Fleet

Used-vehicle dealers state that the best resale value results when mileage is kept under 30,000 for a one-year-old vehicle, 50,000 for a two-year-old vehicle, and 60,000 for a three-year-old unit, says Ralph Hardwick, vice president of Southern Natural Gas Co., a subsidiary of Sonat Services located in Birmingham, AL. However, it is Hardwick's contention that maintenance costs for a fleet determines at what mileage a vehicle should be replaced.

An analysis of operating costs, says Hardwick, indicates that repair costs begin to escalate substantially after 60,000 miles, due to the need to replace major components

"Rotation criteria are becoming more strongly influenced by maintenance costs as manufacturers' warranty programs have been extended," says Hardwick. "Ford, General Motors, and Chrysler offer 60,000- to 70,000-mile warranties on powertrains, which are the primary cost items in any fleet operation. An early rotation schedule urged by used-vehicle brokers and auctioneers appears to be self-serving, especially during periods of increasing interest rates and extended warranties." Hardwick concludes that the single most important aspect of resale value is vehicle condition.

Ralph Hardwick, assistant vice president, office services (left) and Royce Kelly fleet adminstrator, discuss the Southern Natural Gas Co. fleet.

Chrysler Fleet Operations

Presents the Eleventh Annual

automotive FLEET

TOP 100

Frito Lay, Inc. Tupperware Digital Equipment Honeywell Pepsi Cola Minnesota Mining and Manufacturing Standard Oil Co. (Inc.) Church of Jesus Christ of Latter Day Saints Ashland Oil Co. State Farm Insurance Westinghouse Borg Warner Corp. Shaklee Corp. Tenneco, Inc. ARA Services Dow Chemical USA Union Carbide Corp./United Technologies Exxon Dresser Industries Goodyear Nabisco Shell Motorola Rollins Inc. IC Industries W.R. Grace & Co. Eastman Kodak Federal Express Corp. Burlington Northern Control Data Corp./Commercial Credit U.S. Steel General Electric Johnson Controls, Inc. Teledyne, Inc. Phillips Petroleum Co. Purolator Services, Inc. Aetna Life & Casualty Proctor & Gamble Co. Revlon Inc. Canteen Corp. Gulf Oil Corp. N.L. Industries, Inc. PPG Industries Transamerica Corp. Travelers Insurance Brown & Root, Inc. Cigna Corp. Diebold Inc. Marathon Oil Montgomery Ward Continental Insurance Gulf & Western Champion International Hartford Insurance FMC Corporation Pfizer Inc. Union Pacific Upjohn Company Bank of America Niagara Mohawk Wausau Insurance Business Forms McDonalds Abbott Digital Equipment Honeywell Pepsi Cola Manufacturing Co. State Farm Insurance Westinghouse Shaklee Corp. Technologies Exxon Dresser Industries Shell Motorola Corp. Burlington Northern Control Data Corp. Urolator Services Inc. Aetna Life & Casualty Revlon Inc. Corp. Travelers Insurance Brown & Root, Inc. Diebold Inc. Business Mills Crawford & Co. Philip Products, Inc. Hoffman LaRoche Railroad Corp. Hewlett Electric Kraft, Inc. Liberty Mutual Insurance Group General Foods Household Fireman's Fund Bell & Howell St. Regis A.B. Dick Co. Lorillard Sears Xerox Frito Lay Minnesota Mining and Manufacturing Standard Oil Co. (Inc.) Christ of Latter Day Saints Borg Warner Corp. Shaklee Corp. Tenneco, Inc. ARA Services USA Union Carbide Corp./United Technologies Exxon Goodyear Nabisco Shell Motorola Rollins Inc. IC Industries W.R. Grace & Co. Eastman Kodak Federal Express Corp. Burlington Northern Control Data Corp./Commercial Credit U.S. Steel General Electric Johnson Controls, Inc. Canteen Corp. Gulf Oil Corp. Proctor & Gamble Co. Revlon Inc. Cigna Corp. Diebold Inc. Marathon Oil Montgomery Ward U.S.A. GAB Business Services Seaboard System RR Chessie System Railroad Cities Service Foundation FMC Mutual Greyhound Corp Hewlett Packard Getty Refining SMC Corp. Household Finance Ingersoll Rand Niagara Howell Co. Eaton Corp St. Regis Paper Co. Moore Business Sears, Roebuck & Co Xerox Frito Lay, Inc. Tupperware (Inc.) Church of Jesus Christ of Latter Day Saints Ashland Services Dow Chemical USA Union Carbide Corp./United Industries W.R. Grace & Co. Eastman Kodak Federal Express Johnson Controls, Inc. Teledyne, Inc. Phillips Petroleum Corp. Gulf Oil Corp. N.L. Industries, Inc. PPG Industries Montgomery Ward Corp. Transamerica Corp. Travelers Insurance System RR Champion International Hartford Insurance Foundation FMC Corporation Pfizer Inc. Union Pacific Getty Refining Upjohn Company Bank of America Ingersoll Rand Niagara Mohawk Wausau Insurance Co. Paper Co. Moore Business Forms McDonalds Abbott Labs Sherwin Williams Co. Keebler Co. A.B. Dick Co. Lorillard Sears, Roebuck & Co. Xerox Frito Lay, Inc. Tupperware Frito Lay, Inc. Tupperware Digital Equipment Honeywell Pepsi Cola Minnesota Mining & Manufacturing Standard Oil Co. (Inc.) Church of Jesus Christ of Latter Day Saints Ashland Oil Co. State Farm Insurance Westinghouse Borg Warner Corp. Shaklee Corp. Tenneco, Inc. ARA Services Dow Chemicna USA Union Carbide Corp./United Technologies Exxon Dresser Industries Goodyear Nabisco Shell Motorola Rollins Inc. IC Industries W.R. Grace & Co. Eastman Kodak Federal Express Corp. Burlington Northern Control Data Corp./Commercial Credit U.S. Steel General Electric Johnson Controls, Inc. Teledyne, Inc

The 11th Annual Top 100

In order to qualify for the Top 100, a fleet must be part of a business/corporate entity that has centralized automotive control. Companies operating driver reimbursement programs for employee owned vehicles are not listed. A prominent example is IBM.

Fleet size is verified by the *Automotive Fleet* Research Department either by phone or mail inquiry. Counted as part of a fleet's total vehicles are company-controlled cars and light trucks and vans under 14,000 GVW. Not counted are lift trucks, trailers, or trucks larger than class 3. Approximately 250 large-fleet companies are selected from AF's circulation list to be recipients of the Top 100 survey questionnaire. In addition to fleet size, the survey's are used to determine whether a fleet is company-owned or fully-or partially-leased.

REPRINTS OF TOP 100

Reprints of this special 20-page section are available through AF's Reader Service Manager, 2512 Artesia Blvd., Redondo Beach, CA 90278, or by phoning (213) 376-8788.

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AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

Company Name	Rank
Abbott Laboratories	96
ADT Security Systems	49
Aetna Life & Casualty Co.	36
American Bldg. Maintenance	85
American Home Products	42
Amoco Corp.	44
ARA Services	10
Ashland Oil, Inc.	15
Borden Inc.	24
Bristol-Myers USPNG	94
Burlington Northern RR	56
Campbell Taggart, Inc.	25
Canteen Company	41
Chesapeake & Potomac	12
Church of LatterDay Saints	9
CIGNA Corp.	93
Conrail	47
Consolidated Freightways	97
Continental Baking Co.	8
Continental Insurance	97
Cox Enterprises	58
Crawford & Co.	55
CSX Transportation	50
Diebold Inc.	79
Digital Equipment Corp.	6
Dow Chemical Co. USA	34
E.I.DuPont de Nemours & Co.	31
Eastman Kodak Co.	11
ECOLAB, INC.	73
Emery Purolator	19
Exxon Company USA	26
Farmers Insurance Group	70
Federal Express Corp.	1
Frito-Lay Inc	5
General Electric Consumer Service	52
General Electric Industrial Power	57
General Elect. Med. Systems	62
General Foods	86
Goodyear Tire & Rubber Co.	28
Greyhound Corp.	70
Hartford Insurance	90
Hewlett Packard-Western	98
Hoechst Celanese Corp.	95
Hoffman LaRoche	60
Honeywell, Inc.	16
ICI Americas Inc.	69
Interstate Brands Corp.	23
Johnson Controls, Inc.	65
Keebler Co.	80
Kraft, Inc. Retail Food Group	61
Marathon Oil Co.	67
Mary Kay Cosmetics	27
McDonald's Corp.	77
Merck & Co., Inc.	54
Minnesota Mining & Manufacturing	14
Motorola Inc.	18
Nabisco Brands, USA	63
Nationwide Insurance	100
Norfolk Southern	51
North American Phillips Corp.	66
Ogden Allied Service Corp.	71
Pfizer Inc.	53
Philip Morris USA	38
Phillips Petroleum Co.	48
Pillsbury Co.	83
PPG Industries	92
Procter & Gamble Co.	43
Quality Bakers America	2
R.J. Reynolds Tobacco Co.	37
Revlon, Inc.	59
Rollins Inc.	45
Safety Kleen Corp.	74
Sears Roebuck and Co.	3
Service America Corporation	33
Service Corporation Int'l	89
Shell Oil Company	21
Sherwin Williams Co.	78
Siemens Corp.	17
Smith Kline Corp.	29
State Farm Insurance Co.	7
Suburban Propane	35
Teledyne, Inc.	75
Tenneco Inc.	32
Terminex, Inc.	82
Texaco Inc. (Central)	64
Texaco, Inc. Eastern	22
Textron, Inc.	91
Transamerica Corp.	88
Travelers Companies	46
Tupperware	13
Union Carbide Corp	39
Union Pacific Systems	30
Upjohn Company	87
USX Corporation	40
Van Pool Services Inc.	84
W.R. Grace & Co.	76
Warner Lambert Professional Prods.	72
Westinghouse Electric Corp.	20
Whitman Corporation	81
Xerox Corporation	4

Top 100

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
1	1	Federal Express Corp. Memphis , TN	Jim Gwinner	x	Fleetmark, ARI	85	23363	23448
2	2	Quality Bakers America Greenwich , CT	David Armstrong	x	—	2900	17000	19900
3	4	Sears Roebuck and Company Chicago , IL	William Jones	—	—	85	15490	15575
4	3	Xerox Corporation Rochester , NY	Ron Pink	—	LMV	9000	6000	15000
5	5	Frito-Lay Inc. Dallas , TX	Tom Smith Charles Loveless	x	—	700	11000	11700
6	6	Digital Equipment Corp. Maynard , MA	Richard A. Catino Ellen Finnerty Dave Rand	X	PHH, GEC Fleet	10251	1061	11312
7	7	State Farm Insurance Co. Bloomington , IL	Thomas D. Sours	x	—	10592	275	10867
8	8	Continental Baking Co St. Louis , MO	Paul J. Walsh	x	—	406	8762	9168
9	9	Church of Latter Day Saints Salt Lake City , UT	Scott Thredgold Harry Jeffs Bob Clark	x	—	8130	650	8780
10	11	ARA Services Philadelphia , PA	Ralph Jamic Kamaran Partow	x	GEC Fleet	2777	5904	8681
11	10	Eastman Kodak Co. Rochester , NY	Marc Carney	x	PHH	7500	1100	8600
12	—	Chesapeake & Potomac Silver Spring , MD	James Boles	x	—	2222	6142	8364
13	12	Tupperware Orlando , FL	John Bandy Jim Metcalf	x	GEC Fleet, Wheels	8000	0	8000
14	16	Minnesota Mining & Manufacturing St. Paul , MN	Tim Hoffmann	x	—	5997	1492	7489
15	14	Ashland Oil, Inc. Ashland , KY	William D. Bloss	x	PHH, GEC Fleet	3750	3400	7150

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
16	13	Honeywell, Inc. Minneapolis , MN	C. Wayne Jacobson	—	GEC Fleet, PHH	4000	3000	7000
17	—	Siemens Corp. Iselin , NJ	John Connelly	x	—	4000	3000	7000
18	16	Motorola Inc. Schaumburg , IL	Baxter Judy	x	—	5353	1508	6861
19	17	Emery Purolator Wilton , CT	J.B. Townley	—	Lend Lease	600	6000	6600
20	15	Westinghouse Electric Corp. Pittsburgh , PA	Lou Dobak	x	PHH, GEC Fleet, LMV	3400	3150	6550
21	19	Shell Oil Company Houston , TX	Lydia Foght	x	ARI	1963	4396	6359
22	—	Texaco, Inc. Eastern White Plains , NY	Alexander Hamilton	x	PHH	2190	3680	5870
23	20	Interstate Brands Corp. Kansas City , MO	David Wiseman Gary Pasche	x	—	90	5229	5319
24	21	Borden Inc. Columbus , OH	Ron Cosey	x	—	1800	3500	5300
25	22	Campbell Taggart, Inc. Dallas , TX	Ray Gryzywinski	x	—	750	4500	5250
26	24	Exxon Company USA Houston , TX	John Dewees	x	—	2000	3200	5200
27	—	Mary Kay Cosmetics Dallas , TX	Mark Britton	—	ARI	5103	0	5109
28	23	Goodyear Tire & Rubber Co. Akron , OH	George Platis	x	PHH	—	5059	5059
29	42	Smith Kline Corp. Philadelphia , PA	Sandi Nicotera	—	Wheels	4600	400	5000
30	25	Union Pacific Systems Omaha , NE	Jerry Covey	x	GEC Fleet	925	4074	4999
31	28	Du Pont E.I. DuPont de Nemours & Co. Wilmington , DE	Richard Prettyman	x	PHH	3108	1887	4995
32	26	Tenneco Inc. Houston , TX	J.R. Gudelman	—	GEC Fleet	1900	3000	4900
33	29	Service America Corporation Stamford , CT	Wilbur O. Wachter	—	Wheels, PHH	1032	3439	4471
34	30	Dow Chemical Co. USA Midland, MI	Tom Madden	—	McCullagh, Wheels	2000	2268	4268

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
35	—	Suburban Propane Whippany , NJ	Scott Braun	x	—	500	3700	4200
36	36	Aetna Life & Casualty Co. Hartford , CT	Martin F. Crean	—	PHH	3907	198	4105
37	—	R.J. Reynolds Tobacco Co. Winston-Salem , NC	Vicki Brady	—	PHH	1938	2114	4052
38	33	Philip Morris USA New York , NY	Gregory J. Tarring	—	PHH, GEC Fleet	1000	3000	4000
39	32	Union Carbide Corp. Dansbury , CT	Fred Glawtzberg	—	Wheels	3400	600	4000
40	34	USX Corporation Pittsburgh , PA	Craig James	—	ARI, LMV, USFL	1860	2046	3906
41	35	Canteen Company Chicago , IL	Mark Klein	x	—	944	2860	3804
42	—	American Home Products New York , NY	Elizabeth Witkowski	x	—	3700	100	3800
43	38	Procter & Gamble Co. Cincinnati , OH	Clarence O'Dell	x	—	3700	0	3700
44	31	Amoco Corp. Chicago , IL	Richard Lynch	x	—	700	3000	3700
45	39	Rollins Inc. Atlanta , GA	David Leedy John Willis	—	B&M, World Omni	595	3103	3698
46	41	Travelers Companies Hartford , CT	Patrick O'Sweeney	—	PHH	3562	121	3683
47	—	Conrail Philadelphia , PA	Paul Rossi	x	—	550	3100	3650
48	45	Phillips Petroleum Co. Bartlesville , OK	James R. Grillot Gary R. Herrington	x	—	698	2857	3555
49	43	ADT Security Systems Parispanny , NJ	John Africano	x	GEC Fleet	953	2547	3500
50	27	CSX Transportation Jacksonville , FL	Jim Fronkoski	x	ARI, Bank AmeriLease	295	3069	3364
51	44	Norfolk Southern Roanoke , VA	W.L. Goodman	x	—	800	2500	3300
52	—	General Electric Consumer Service Louisville , KY	Philip Schilling	x	GEC Fleet	0	3300	3300
53	47	Pfizer Inc. New York , NY	Gordon B. West	—	Wheels, PHH	2748	475	3223
54	46	Merck & Co., Inc. Rahway , NJ	Alma Cristauro	—	PHH	3045	163	3208

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
55	55	Crawford & Co. Atlanta , GA	Wanda S. Ellison	—	B & M Equipment	3050	148	3198
56	48	Burlington Northern RR St. Paul , MN	John Long	x	—	650	2500	3150
57	—	General Electric Ind. Pow. Norcross, GA	Carmen Noakes	x	GEC Fleet	2835	315	3150
58	49	Cox Enterprises Atlanta , GA	Patsy Brownson	—	ARI, Wheels	530	2550	3080
59	54	Revlon, Inc. Edison , NJ	Kathy Poppe	—	GEC Fleet	2990	55	3045
60	50	Hoffman LaRoche Nutley , NJ	John Smith	x	PHH, Wheels	2700	300	3000
61	57	Kraft, Inc. Retail Food Group Glenview , IL	W.R. Roberts	—	GEC Fleet	3000	0	3000
62	—	General Elect. Med. Systems Waukesha , WI	Ed Tohl	—	GEC Fleet	3000	0	3000
63	52	Nabisco Brands, USA East Hanover , NJ	James F. O'Neill	—	PHH	3000	0	3000
64	—	Texaco Inc. (Central) Houston , TX	Bernard Brye	—	PHH	813	2100	2913
65	56	Johnson Controls, Inc. Milwaukee , WI	Bob Borchert	—	GEC Fleet, Southgate	661	2240	2901
66	—	North American Phillips Corp. New York , NY	Barbara Vlaovic —	x	ARI	2500	400	2900
67	57	Marathon Oil Co. Houston , TX	Lois A. Smith	—	PHH, Wheels	750	2150	2900
68	58	Greyhound Corp. Phoenix , AZ	Steven Ziegler	—	PHH	1875	1005	2880
69	—	ICI Americas Inc. Wilmington , DE	Mary Chamblin	x	ARI	2415	463	2878
70	59	Farmers Insurance Grp. Los Angeles , CA	Gene Grembowski	x	—	2762	73	2835
71	115	Ogden Allied Service Corp. New York , NY	R. Brandeberry	x	—	1500	1300	2800
72	—	Warner Lambert Professional Prods. Morris Plains , NJ	Ed Olesky	x	—	2400	350	2750
73	60	ECOLAB, INC. St. Paul , MN	Jerry Rodewald	x	GEC Fleet	1700	1000	2700

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
74	—	Safety Kleen Corp. Elgin , IL	Richard Knippschild	x	—	400	2300	2700
75	53	Teledyne, Inc. Los Angeles , CA	Jim Stockwell	x	—	2000	700	2700
76	61	W.R. Grace & Co. New York , NY	J.W. Enterline	—	PHH, USFL	1405	1290	2695
77	62	McDonald's Corp. Oakbrook , IL	Susan Miller	x	PHH, Enterprise	2589	25	2614
78	63	Sherwin Williams Co. Cleveland , OH	David Hall Dan Solar	—	McCullagh, GEC Fleet	1440	1163	2603
79	64	Diebold Inc. Canton , OH	Linda Taylor	—	PHH	800	1800	2600
80	71	Keebler Co. Elmhurst , IL	William Stanley Deborah Mellone	—	GEC Fleet, Wheels, Emkay	2050	550	2600
81	40	Whitman Corp. Chicago , IL	E.P. Walsh	—	GEC Fleet	1900	700	2600
82	—	Terminex, Inc. Memphis , TN	Lomax Springfield	—	Wheels	769	1793	2562
83	—	Pillsbury Co. Minneapolis , MN	Sam Simmons	x	—	2053	505	2558
84	65	Van Pool Services Inc. Detroit , MI	Kenneth Sieloff	x	—	2519	0	2519
85	—	American Bldg. Maintenance San Francisco , CA	Elsie Walsch	x	—	1500	1000	2500
86	66	General Foods White Plains , NY	Barbara Amrod	x	Wheels	2400	100	2500
87	67	Upjohn Company Kalamazoo , MI	Stephen Levine Juanita Perry Lenora Webster	—	Wheels	2195	290	2485
88	68	Transamerica Corp. Schaumburg , IL	Anthony F. Wooten	x	—	2400	75	2475
89	69	Service Corp. Int'l Houston , TX	Gary Sanders	x	—	896	1574	2470
90	70	Hartford Insurance Hartford , CT	Diane Brittell	—	PHH	2324	85	2409
91	—	Textron, Inc. Providence , RI	Howard Maurer	x	—	1800	600	2400
92	73	PPG Industries Pittsburgh , PA	Debbie Durick Vic Pellitier	—	GEC Fleet	1375	975	2350
93	72	CIGNA Corp. Philadelphia , PA	Tina Kourakos	—	PHH Fleet America	2300	50	2350

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
94	76	Bristol-Myers USPNG Evansville , IN	Thomas Anslinger	—	PHH & Wheels	2081	248	2329
95	91	Hoechst Celanese Corp. Somerville , NJ	Jim Devine	—	Wheels, PHH, GEC Fleet	1972	346	2318
96	—	Abbott Laboratories Abbott Park , IL	Rich Derreberry	—	Wheels & PHH	2180	130	2310
97	74	Continental Insurance Cranbury, NJ	Jean Marie Albrecht Victor Kaplij	—	PHH	2295	5	2300
98	—	Consolidated Freightways Menlo Park , CA	Tom Baylis	x	GEC Fleet	2230	28	2258
99	83	Hewlett Packard-Western North Hollywood , CA	Craig Kundrotas	—	In-house	2200	30	2230
100	—	Nationwide Insurance Columbus, OH	Gail Royer	—	Wheels	2180	20	2200
		TOTALS				241,494	235,113	476,607

AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

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ADT Security Systems	49
Aetna Life & Casualty Co.	36
American Bldg. Maintenance	85
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Ashland Oil, Inc.	15
Borden Inc.	24
Bristol-Myers USPNG	94
Burlington Northern RR	56
Campbell Taggart, Inc.	25
Canteen Company	41
Chesapeake & Potomac	12
Church of LatterDay Saints	9
CIGNA Corp.	93
Conrail	47
Consolidated Freightways	97
Continental Baking Co.	8
Continental Insurance	97
Cox Enterprises	58
Crawford & Co.	55
CSX Transportation	50
Diebold Inc.	79
Digital Equipment Corp.	6
Dow Chemical Co. USA	34
E.I.DuPont de Nemours & Co.	31
Eastman Kodak Co.	11
ECOLAB, INC.	73
Emery Purolator	19
Exxon Company USA	26
Farmers Insurance Group	70
Federal Express Corp.	1
Frito-Lay Inc	5
General Electric Consumer Service	52
General Electric Industrial Power	57
General Elect. Med. Systems	62
General Foods	86
Goodyear Tire & Rubber Co.	28
Greyhound Corp.	70
Hartford Insurance	90
Hewlett Packard-Western	98
Hoechst Celanese Corp.	95
Hoffman LaRoche	60
Honeywell, Inc.	16
ICI Americas Inc.	69
Interstate Brands Corp.	23
Johnson Controls, Inc.	65
Keebler Co.	80
Kraft, Inc. Retail Food Group	61
Marathon Oil Co.	67
Mary Kay Cosmetics	27
McDonald's Corp.	77
Merck & Co., Inc.	54
Minnesota Mining & Manufacturing	14
Motorola Inc.	18
Nabisco Brands, USA	63
Nationwide Insurance	100
Norfolk Southern	51
North American Phillips Corp.	66
Ogden Allied Service Corp.	71
Pfizer Inc.	53
Philip Morris USA	38
Phillips Petroleum Co.	48
Pillsbury Co.	83
PPG Industries	92
Procter & Gamble Co.	43
Quality Bakers America	2
R.J. Reynolds Tobacco Co.	37
Revlon, Inc.	59
Rollins Inc.	45
Safety Kleen Corp.	74
Sears Roebuck and Co.	3
Service America Corporation	33
Service Corporation Int'l	89
Shell Oil Company	21
Sherwin Williams Co.	78
Siemens Corp.	17
Smith Kline Corp.	29
State Farm Insurance Co.	7
Suburban Propane	35
Teledyne, Inc.	75
Tenneco Inc.	32
Terminex, Inc.	82
Texaco Inc. (Central)	64
Texaco, Inc. Eastern	22
Textron, Inc.	91
Transamerica Corp.	88
Travelers Companies	46
Tupperware	13
Union Carbide Corp	39
Union Pacific Systems	30
Upjohn Company	87
USX Corporation	40
Van Pool Services Inc.	84
W.R. Grace & Co.	76
Warner Lambert Professional Prods.	72
Westinghouse Electric Corp.	20
Whitman Corporation	81
Xerox Corporation	4

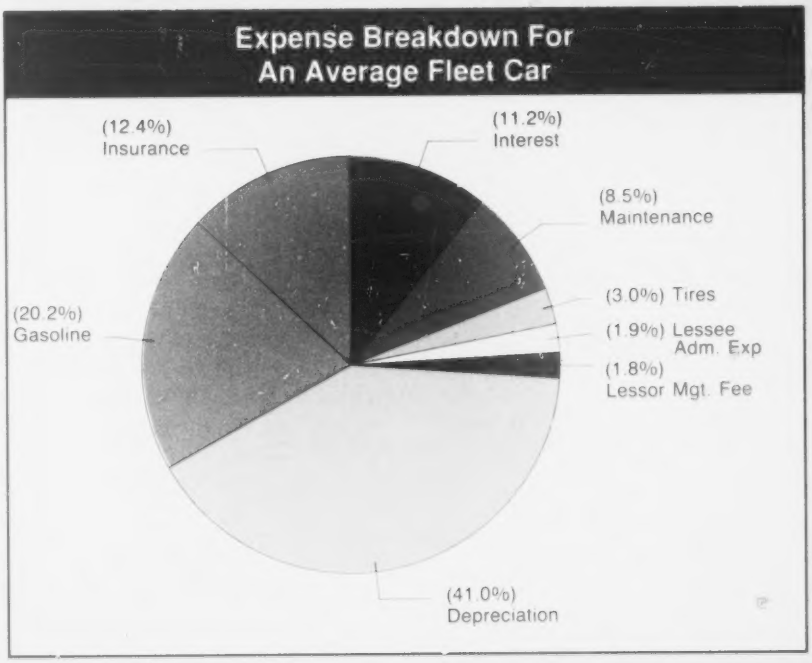
Depreciation accounts for 41 percent of the total cost of a fleet vehicle. According to Don Kreft, president of Lease Plan USA, one way to limit depreciation expense is to establish an appropriate fleet replacement policy.

Analyzing Depreciation of Fleet Vehicles

Operating a fleet vehicle carries with it numerous expenses — gasoline, insurance, and maintenance to name a few. However, if fleet managers are trying to control expenses, they should look at the depreciation of their fleet cars. According to Lease Plan USA, depreciation accounts for 41 percent of the total cost of a fleet vehicle.

Depreciation is the difference between the capitalized cost of a new vehicle and the net proceeds realized when it is sold.

To control this expense, fleet managers should place vehicles into service at the proper time so that ultimately they will realize the highest resale value.



Ordering

The first step in limiting depreciation expense is ordering vehicles at the appropriate time. Many companies order their vehicles after Jan. 1 for budgeting reasons. However, by not ordering in July and August, these companies could be losing hundreds of dollars. Lessees who order early in the model-year are able to take advantage of the inflated used-vehicle marketplace in early fall, the most optimum resale period. Lessees who order late in the year (December or January) must wait until the spring market — the second most optimum time in the used-vehicle market.

Replacement Policy

Establishing a replacement policy for fleet vehicles will also help to control depreciation expenses. If a company needs assistance in developing a policy, a professional fleet lessor should be able to provide consulting services. Often, a replacement policy can be more economical than negotiating a lease rate. The savings per month per vehicle in a lease rate should be weighed against the hundreds of dollars that are lost for every unit through poor vehicle replacement timing.

While depreciation is the largest fleet expense, the smallest cost incurred is the leasing company's management fee (1.8 percent). Even negotiating this cost down to a minimum would be nominal in relation to depreciation expenses. AF

Buying a truck can be complicated. Purchase price often hides true cost which includes variables such as downtime, fuel, and service life. To determine overall value, a set of variables called average life costing are used.

Stretching Truck Dollars

The purchase of the right new truck can increase efficiency and improve profitability. The wrong new truck can drain a business like a leaky tire. In some industries, 35 to 40 percent of the costs to bring a product to market is transportation. The right truck is an important investment and well worth the time to investigate the proper purchase.

However, the purchase price of a truck and body is only 20 to 22 percent of the total cost of truck ownership.

The cost of fuel, tires, time, and money spent for maintenance and repair, length of service, and other operating expenses determines the real cost of a new truck. In fact, approximately 42 percent of a truck's transportation costs over a five-year period are attributed to driver wages; 21 percent to fuel costs, and 13 percent to maintenance and repairs.

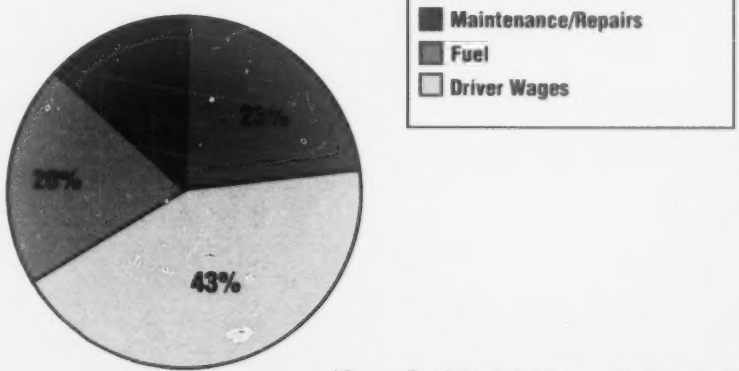
Average Life Costing

Fleet management has developed a set of variables to help determine a truck's value — called average life costing.

With average life costing, the overall cost of a vehicle can be determined based upon the following factors:

- The original investment.

Average Life Costing: Five-Year Costing Of A Commercial Truck



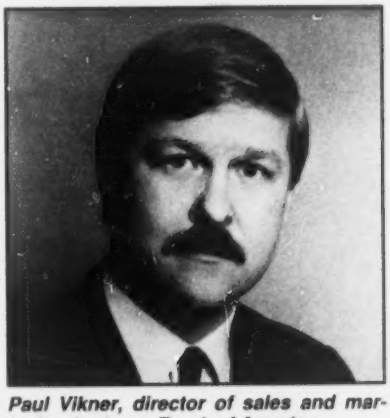
*Source: Truck Marketing Institute, Carpenteria, CA.

Although a truck's purchase price represents 20 to 22 percent of its total cost; fuel, tires, time, and money spent for maintenance/repair, length of service, and other operating expenses determine the real cost of a new truck.

• The daily operating cost.
• Time and money spent for maintenance and repair.
• The amount of time the vehicle will provide profitable service.
• Replacement trade-in value.

There are many factors to consider when determining which truck is best: economy, longevity, serviceability, and driver creature comforts. Although the initial price is important, it's important to remember that it is less than 22 percent of the total lifetime cost of the truck.

A commercial diesel engine generally averages up to twice the miles-per-gallon as gasoline engines. Fuel savings attributable to diesel can equal thousands of dollars over just a few years of operation. In addition, diesel engines have an operating life up to twice as long as gasoline engines. Regular maintenance is a vital ingredient in maximizing the output and longevity of a truck.



Paul Vikner, director of sales and marketing for Isuzu Truck of America.

But how can a business identify a high quality truck from a lesser quality?

Like all major purchases, this is an area where a little research pays big dividends. Other truck users in the same type of business, or those closely related to it, will provide the best indication of how different trucks operate under various conditions.

Trade-In Value

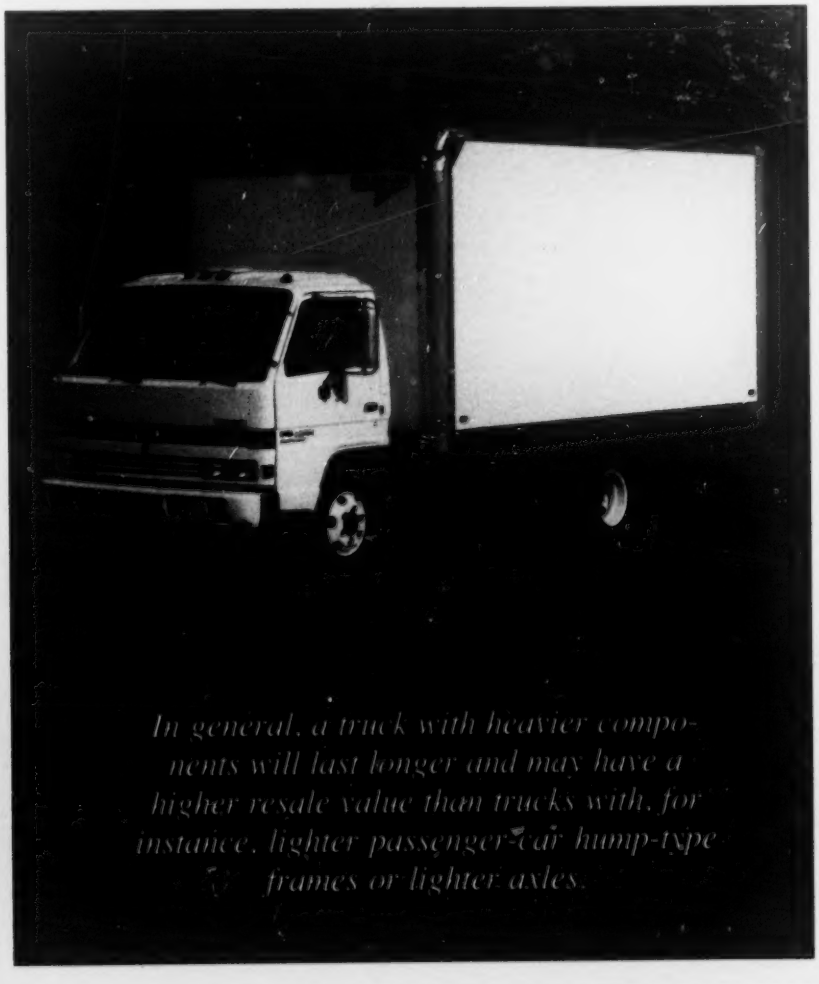
There comes a time in every truck's life, no matter how reliable it has been, when it needs to be replaced, perhaps retired. In shopping for a new truck, fleets will find that an old truck may still retain value as a trade-in; just another way a quality vehicle pays dividends.

But how can you determine what a used truck may be worth? In general, trucks with built-in longevity, heavy components, and quality parts will retain their value and performance longer. When looking at major components like the engine, assume a diesel engine will last longer and draw a greater resale price than a gasoline engine.

In addition, there are truck industry publications, such as *Red Book*, that put a value on new and used trucks. This will provide an indication of how each truck may retain its value.

In general, a truck with heavier components will last longer and may have a higher resale value than trucks with, for instance, lighter passenger-car hump-type frames or lighter axles.

When it comes time to build your transportation capacity, it is vital to find a truck that is going to enhance your profitability. What is needed is reliability, durability, creature comforts, and excellent fuel mileage to reduce transport costs and increase productivity over the long-run. AF



In general, a truck with heavier components will last longer and may have a higher resale value than trucks with, for instance, lighter passenger-car hump-type frames or lighter axles.

The preceding is an edited article prepared by Paul Vikner, director of sales and marketing for Isuzu Truck of America.

A routine internal investigation revealed that Xerox Corp. could save "millions of dollars" in fleet insurance and accident costs. The secret: fleet liability costs for vans and light duty trucks are significantly less than passenger cars.

Reducing Fleet Insurance And Accident Costs

Sometimes, it's a good idea to take a second look at an insurance program — even if it's working well.

That's exactly what Phil Fishbach did. He is vice president of finance for Xerox's U.S. marketing group in Rochester, NY. He directed Ron Pink, fleet manager, to investigate the entire area of insurance costs and vehicle life to determine whether there was any opportunity to reduce insurance expenses within reasonable risk parameters.

As it turned out, the opportunity was, indeed, present. Both Fishbach and Pink played key roles on a management team that has saved Xerox "millions of dollars" by simply converting the entire 12,000-vehicle Xerox fleet to less risky minivans and light pickups and by increasing their life cycle.

Seated are four members of the "problem solving team" Xerox assembled to investigate the corporation's fleet insurance and accident costs. From the left: Debbie Wight (customer service and administration finance), Larry Durham (customer service planning), Phil Fishbach (finance), and Ron Pink (fleet).

A Historic Coup

Privately, Xerox has identified the total potential dollar savings. Publicly, however, Xerox declined to release the actual numbers for publication, but the sheer magnitude of the savings is so significant that it can perhaps be described as one of the biggest single management coups in the history of fleet operations and insurance.

And, while the Xerox case may not translate directly to other companies— since Xerox is self-insured and runs its own leasing company (LMV) — it is certain to generate broad interest.

The actual savings on Xerox's insurance and accident programs were completely unexpected. It all began when Fishbach asked for a routine investigation to determine whether there was anything the corporation could do to drive down its vehicle insurance costs.

When the initial findings of a nearly year-long in-house study were presented to Fishbach, he found the potential impact amazing.

Benchmarking: Cost Of Liability Coverage For Various Companies

Company	Liability Costs Per Vehicle Per Year	Comment
Xerox	$495	$1.0 million deductible, approximately 10,000 vehicles.
Nestle	$750	$250,000 deductible, approximately 1,300 vehicles.
Unisys	$580	New fleet, approximately 8,000 vehicles.
Insurance Co. Avg.	$635	Weighted average of fleet rates with a private car used for business.
AMETEC	$450	$100,000 deductible, approximately 300 vehicles, many executive cars.
Hewlett Packard	N/A	N/A

Xerox's Fleet Record

Elsewhere in the corporation, the report did more than raise a few eyebrows.

Who would have ever imagined that Xerox, through a routine quality improvement process, could discover the potential for such significant savings in its fleet operations? The answer is almost no one because the Xerox fleet has a record which is more than just pretty good: it's excellent.

These were some of the high points of the company's fleet record, as it existed when Xerox decided to take another look at its vehicle insurance program:

- Its accident fatality rate was only 20 percent of the national rate.
- There had been a steady reduction in the number of accidents per million miles driven since 1977. This is a result of driver safety programs, a company driver's license "point" policy, and the downsizing of vehicles.
- The company's 10-year database had proved, among other things, that Xerox's injury and repair costs were markedly below the national average.
- And its self-insurance program was inexpensive by fleet standards.

Ron Pink, business manager, vehicle fleet for Xerox Corp.

Making Improvements

How do you improve on Xerox's already excellent record?

"It wasn't easy," says Pink. "Because of the volume of research, the raw data alone stands several inches high and it's printed on both sides, too."

Buried in that stack of documentation was a seemingly innocuous fact: the liability costs Xerox sustained for vans and light pickup trucks was significantly less than for passenger cars.

Was this fact simply an aberration? One might say yes, particularly since other corporations have tried unsuccessfully to develop a common driver profile as a way to improve the driving habits of those people who seem to be accident-prone. But Xerox has learned that no such profile exists.

Isn't it reasonable, then, to think there's no such thing as a common vehicle profile? Well, reasonable or not, the vehicle profile was indeed the answer.

Management's Response

When the seven-member team presented its findings, the data was so compelling that after two brief meetings, senior management gave the approval to begin the immediate conversion from a mixed fleet of 12,000 vehicles to one entirely composed of vans and light pickup trucks, eliminating passenger cars completely.

Interestingly, Xerox has been using domestic minivans since their introduction in 1984. The vast majority of its fleet, however, has

been passenger cars (9,000). Of the balance, 2,000 were vans, and the remaining 1,000 were other types.

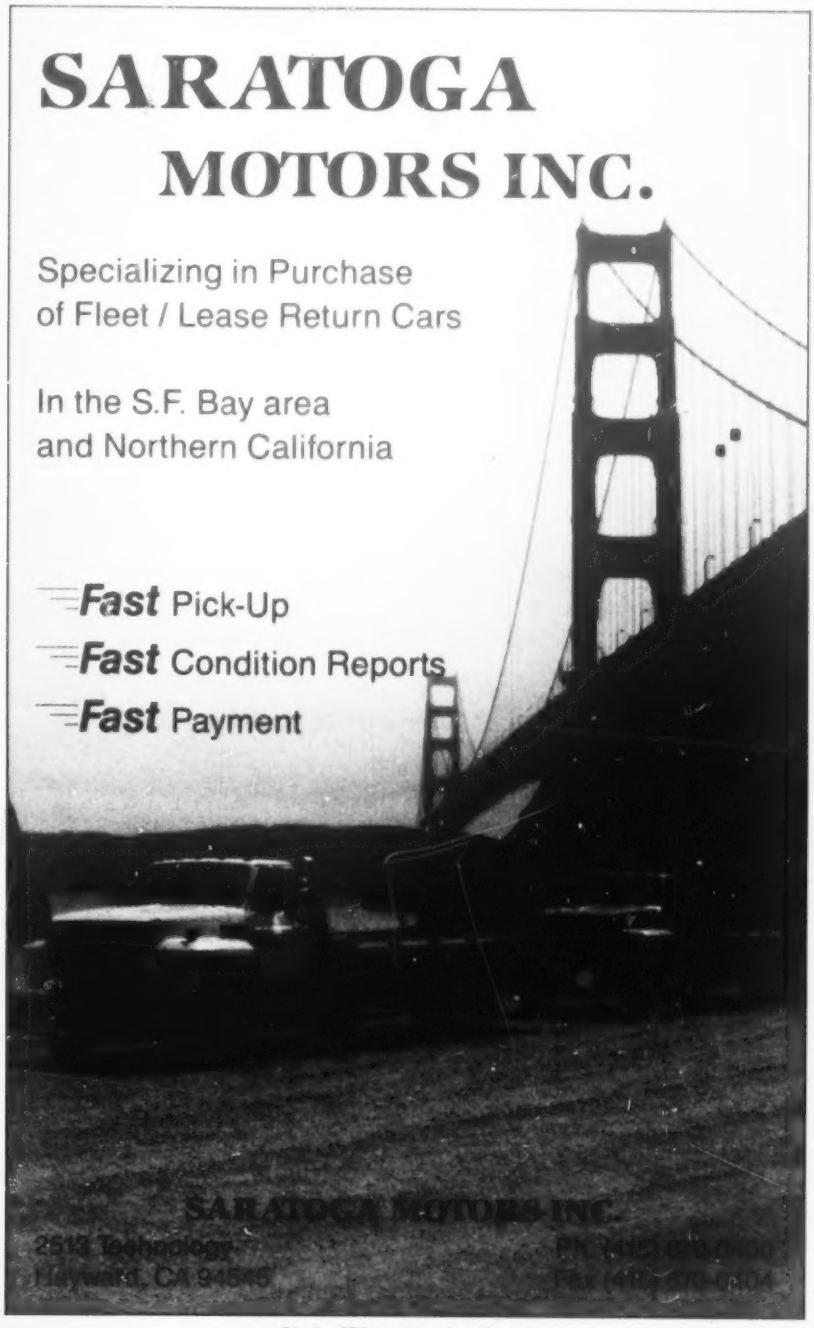
"The entire process will take some time," Pink says. "In the first six months of 1989, we've already had a significant decline in insurance costs. We're going to continue to track our experience on a quarterly basis to make sure we maintain that momentum.

"Also, as a result of our study, we're extending our vehicle life from three to four years.

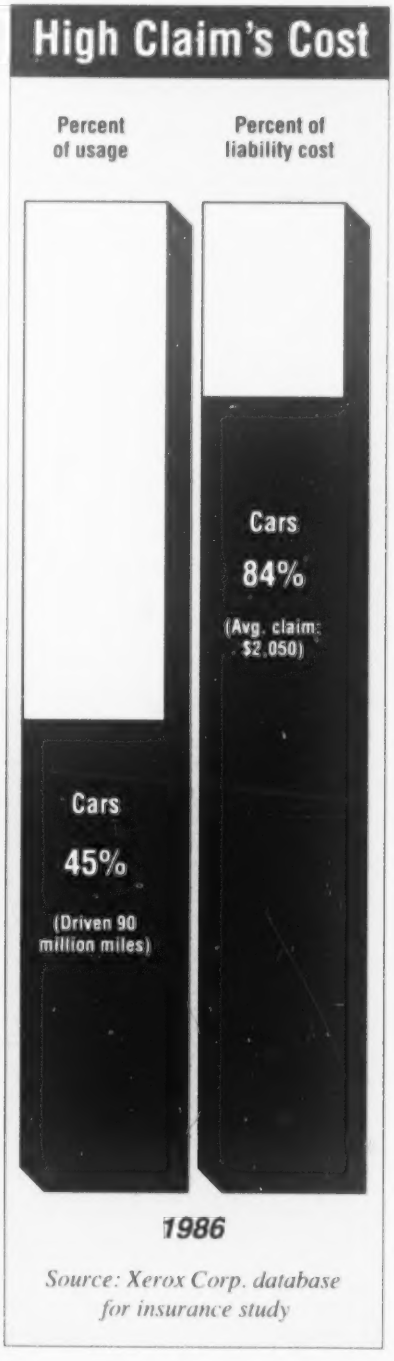
"This isn't nickels and dimes, we're talking big stuff here. There's absolutely no question in my mind about it. This is big money we're saving. The potential is absolutely unbelievable."

The Team

The "problem solving team" was composed entirely of vice presidents. In addition to Pink, other quality improvement process members included: Chuck Armstrong (corporate risk management); Jack Spear (vehicle fleet business); Gordon Shakotko (customer service); Virginia Warfield (financial business);

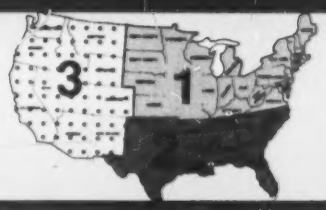


Circle 121 on Inquiry Card



USED CARS

The following are average used-car prices for the period ending January 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	Zone 1	Zone 2	Zone 3
88 BUICK SKYHAWK			
Coupe	5,631	5,687	5,519
Sedan	5,711	5,767	5,599
87 BUICK SKYHAWK			
Cust Coupe	4,602	4,648	4,510
Cust Sedan	4,674	4,720	4,579
88 BUICK SKYLARK			
Cust Sedan	6,883	6,953	6,743
87 BUICK SKYLARK			
Cust Sedan	5,765	5,823	5,649
88 BUICK CENTURY			
Cust Sedan	6,946	7,017	6,808
87 BUICK CENTURY			
Cust Sedan	5,779	5,837	5,664
88 BUICK LESABRE			
Cust Sedan	8,835	8,922	8,659
87 BUICK LESABRE			
Cust Sedan	7,418	7,493	7,270
88 CADILLAC DE VILLE			
Coupe	14,138	14,279	13,854
Sedan	14,304	14,447	14,018
87 CADILLAC DE VILLE			
Coupe	11,637	11,754	11,405
Sedan	11,780	11,899	11,544
88 CADILLAC SEVILLE			
Sedan	15,316	15,469	15,010
87 CADILLAC SEVILLE			
Sedan	12,970	13,101	12,712
88 CHEVY BERETTA			
Coupe	6,581	6,645	6,449
88 CHEVY CORSICA			
Sedan	6,180	6,244	6,059
87 CHEVY BERETTA			
Coupe	5,269	5,322	5,165
87 CHEVY CORSICA			
Sedan	4,858	4,909	4,763
88 CHEVY CAVALIER			
Sedan	5,561	5,617	5,450
87 CHEVY CAVALIER			
Sedan	4,265	4,307	4,181
88 CHEVY CELEBRITY			
Sedan	6,498	6,564	6,368
87 CHEVY CELEBRITY			
Sedan	5,199	5,251	5,096
88 CHEVY CAPRICE			
Sedan	7,288	7,360	7,142
87 CHEVY CAPRICE			
Sedan	5,939	5,997	5,818
88 CHRYSLER NEW YORKER			
Sedan	10,299	10,402	10,092
87 CHRYSLER NEW YORKER			
Sedan	7,409	7,481	7,260
88 CHRYSLER FIFTH AVENUE			
Sedan	10,133	10,235	9,932
87 CHRYSLER FIFTH AVENUE			
Sedan	7,584	8,062	7,823
88 DODGE ARIES AMERICA			
Sedan	5,048	5,092	4,947
87 DODGE ARIES			
Sedan	4,067	4,107	3,985
88 DODGE SHADOW			
Liftbk 5 Dr	5,379	5,434	5,273
87 DODGE SHADOW			
Liftbk 4 Dr	4,453	4,498	4,364
88 DODGE DYNASTY			
Sedan	8,143	8,225	7,980
88 FORD ESCORT			
Htchbk 4 Dr GL	4,569	4615	4,479
87 FORD ESCORT			
Htchbk 4 Dr GL	3,630	3,668	3,559
88 FORD MUSTANG			
LX-4 Coupe	6,140	6,213	6,026
87 FORD MUSTANG			
LX-4 Coupe	5,025	5,075	4,924
88 FORD TEMPO			
GL Sedan 4 Dr	5,466	5,522	5,358
87 FORD TEMPO			
GL Sedan 4 Dr	4,393	4,438	4,308
88 FORD TAURUS			
GL Sedan 4 Dr	7,297	7,370	7,152
87 FORD TAURUS			
GL Sedan 4 Dr	6,052	6,112	5,932
88 FORD CROWN VICTORIA			
Sedan	9,442	9,536	9,254
87 FORD CROWN VICTORIA			
Sedan	7,884	7,963	7,726
88 FORD THUNDERBIRD			
Coupe	8,383	8,468	8,216
87 FORD THUNDERBIRD			
Coupe	6,928	6,997	6,788
88 LINCOLN			
Town Car Sedan	14,266	14,409	13,979
Mark VII Coupe	15,846	16,003	15,527
Continental Sedan	17,598	17,774	17,247
87 LINCOLN			
Town Car Sedan	11,998	12,116	11,757
Mark VII Coupe	12,788	12,917	12,532
Continental Sedan	12,982	13,113	12,723
88 MAZDA 626			
LX Sedan 4 Dr	8,493	8,577	8,323
88 MERCURY COUGAR			
LS Coupe	8,757	8,845	8,582
87 MERCURY COUGAR			
LS Coupe	7,276	7,348	7,130
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,556	5,609	5,443
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,402	4,447	4,314
88 MERCURY SABLE			
GS Sedan	7,408	7,481	7,260
87 MERCURY SABLE			
GS Sedan	6,076	6,138	5,955
88 MERCURY GRAND MARQUIS			
Sedan	9,949	10,048	9,751
MERCURY GRAND MARQUIS			
Sedan	8,455	8,538	8,285
88 NISSAN SENTRA			
Sedan 2 Dr	4,586	4,632	4,495
88 NISSAN STANZA			
E Ntch 4 Dr	7,369	7,442	7,222
88 NISSAN MAXIMA			
SE Sedan	11,358	11,472	11,131
87 NISSAN SENTRA			
Sedan 2 Dr	3,753	3,790	3,670
87 NISSAN STANZA			
E Ntch 4 Dr	5,891	5,950	5,773
87 NISSAN MAXIMA			
SE Sedan	8,869	8,959	8,692
88 OLDS CALAIS			
Sedan	6,806	6,873	6,671
87 OLDS CALAIS			
Sedan	5,772	5,830	5,651
88 OLDS CIERA			
Coupe	6,872	6,940	6,735
Sedan	6,946	7,017	6,808
87 OLDS CIERA			
S Coupe	5,764	5,821	5,649
Sedan	5,830	5,890	5,714
88 OLDS CUTLASS SUPREME			
Coupe	7,924	8,004	7,766
87 OLDS CUTLASS SUPREME			
Coupe	6,669	6,735	6,536
Sedan	6,669	6,735	6,536
88 OLDS 98 REGENCY			
Sedan	10,381	10,485	10,173
87 OLDS 98 REGENCY			
Sedan	8,650	8,736	8,476
88 PLYMOUTH RELIANT			
Sedan	5,073	5,123	4,973
87 PLYMOUTH RELIANT			
Sedan	4,087	4,127	4,006
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,375	5,429	5,268
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,435	4,479	4,345
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,640	5,697	5,527
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,518	4,563	4,427
88 PONTIAC SUNBIRD			
SE Coupe	5,693	5,752	5,580
Sedan	5,770	5,827	5,655
87 PONTIAC SUNBIRD			
SE Coupe	4,466	4,512	4,378
Sedan	4,482	4,527	4,393
88 PONTIAC 6000			
Coupe	6,571	6,638	6,441
Sedan	6,645	6,711	6,511
87 PONTIAC 6000			
Coupe	5,318	5,371	5,211
Sedan	5,380	5,434	5,273
88 PONTIAC GRAND AM			
Sedan	6,683	6,749	6,548
87 PONTIAC GRAND AM			
Sedan	5,962	6,021	5,843
88 PONTIAC BONNEVILLE			
Sedan	8,788	8,875	8,612
87 PONTIAC BONNEVILLE			
Sedan	7,463	7,537	7,314
88 PONTIAC GRAND PRIX			
Coupe	8,109	8,190	7,948
87 PONTIAC GRAND PRIX			
Coupe	6,732	6,800	6,598
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,610	6,676	6,478
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,794	8,881	8,618
88 TOYOTA CRESSIDA			
Lux Sedan	13,266	13,398	13,001
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	5,226	5,279	5,122
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,578	7,653	7,426
87 TOYOTA CRESSIDA			
Lux Sedan	11,079	11,190	10,858
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,034	7,104	6,893
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,793	5,851	5,677

CALENDAR

FEBRUARY

6-8–National Association of Fleet Administrators, Professional Fleet Management Education Seminars, Marriot Hotel, San Diego, CA. Information: (201) 494-8100.

10-13–National Automobile Dealers Association Annual Convention, Convention Center, Las Vegas, NV. Information: (703) 821-7000.

21-24–American Automotive Leasing Association Convention, Doral Country Club, Miami, FL. Information: (202) 223-2118.

25-Mar.1–American Car Rental Association, 12th Annual Convention, Arizona Biltmore, Phoenix, AZ. Information: (202) 223-2118.

MARCH

4-7– Limousine & Chauffeur Show, Las Vegas Hilton, Las Vegas, NV. Information: (213) 376-8788.

8-11–Truck Renting and Leasing Association Annual Convention, Westin La Paloma, Tucson, AZ. Information: (202) 775-4859.

11-14–Consumer Bankers Association, Automobile Finance Conference, Registry Hotel, Denver, CO. Information: (703) 276-1750

APRIL

19-21–National Truck Equipment Association Annual Convention, Washington Convention Center, Washington D.C. Information: (800) 321-1988.

22-25–National Association of Fleet Administrators' Annual Convention, Westin Hotel, Houston, TX. Information: (201) 494-8100.

MAY

8-13–National Vehicle Leasing Association Annual Convention, Ramada Renaissance, Washington, D.C. Information: (213) 838-3170.

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GAS PRICES

City	UNLEADED Cost Per Gallon Unleaded Full-Serve	Self-Serve
Mobile, AL	136.9¢	98.7¢
Pasadena, CA	137.9	86.2
Denver, CO	141.2	106.2
Washington, D.C.	146.6	111.7
Pensacola, FL	134.6	96.6
Maui, HI	181.9	141.7
Chicago, IL	161.3	119.5
Bowling Green, KY	139.4	98.2
Worcester, MA	121.4	95.2
Springfield, MO	114.6	91.9
Las Vegas, NV	117.2	112.9
Rochester, NY	109.6	98.4
Uniontown, PA	116.0	91.9
Corpus Christi, TX	125.9	90.4
Roanoke, VA	118.9	99.4

Survey conducted during the first five working days of January 1990.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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march 1990

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

SPECIAL REPORT:
Industry Cost Study
plus
Reducing Maintenance Expense
National Account Trends
Light Truck Recycling
AF's Award Nominees

GE Capital Buys McCullagh For $450 Million

Handshake Closing: Jim Rogers & Jim Culotta

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

March 1990
VOL. 29,NO. 5

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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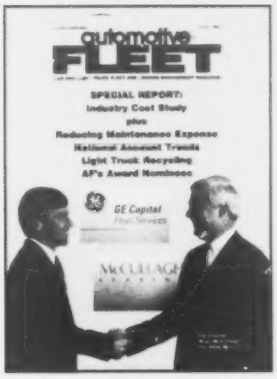

On the cover: Jim Rogers (left), president of GE Capital Fleet Services, and Jim Culotta, president of McCullagh Leasing, finalize the merger of their two companies with a handshake closing.

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The 1990s will be a competitive decade for national account vendors, according to vehicle leasing companies. With higher quality cars being produced, vendors will have to offer better service and longer warranties to attract customers.

National Account Program Trends For the 1990s

National account programs were developed by tire manufacturers to allow fleets to conveniently and inexpensively obtain service. As the 1990s begin, convenience and price level are still the main advantages of national accounts. However, with the improvement in automobile quality, national account chains are playing a different role in the servicing of fleet vehicles. The 1990s will most likely bring a more competitive environment for national account companies. Efficient cars require fewer repairs. In order to attract fleet customers, better service and a faster turnaround time will be emphasized by national accounts. This will result in reduced downtime and cost-effective repairs which will help companies control fleet costs.

Extended warranties offered by manufacturers are causing national account vendors to move away from offering major repairs like front end alignments and emission control service, says Gary Taylor, director of fleet management services at United States Fleet Leasing. Instead, brake repairs, oil and filter changes, and lube jobs will be the major market for national accounts, according to Taylor.

Fleet Benefits

One advantage of a national account program is that vehicle service is available on a local basis throughout the country at uniform pricing. As the number of fleet cars increases, national account chains will most likely offer more outlets nationwide, says Anne Jones, vice president of marketing at USFL. Also, warranty work for national account service is being extended.

The 1990s will most likely bring a more competitive environment requiring better service and faster turnaround time.

Options

There are choices of national account programs. For instance, there are national account card programs that allow drivers to obtain service through an issued credit card. The invoice for the service is then sent directly to the fleet department.

One variation is a purchase order program requiring a purchase order to be presented to a service location instead of a credit card. Many fleets prefer a purchase order system because it allows them to control transactions prior to the repair work being performed. Typically, purchase order distribution will be controlled by the fleet department.

Another type of option is a coupon preventive maintenance program. Coupon booklets are distributed in vehicles or to drivers to ensure repairs and services are performed at specific mileage intervals.

These services are also available through major vehicle leasing companies or fleet maintenance and management service companies such as Consolidated Service. Among vehicle lessors, ARI's Service/Savings Program offers similar national account programs at a 25 to 40 percent discount off regular retail prices nationwide at over 40,000 locations. Included in ARI's preventive maintenance coupon program are "tickler" notices sent directly to fleet drivers to remind them of required service. If the service is not performed, ARI will immediately notify the fleet manager. ARI also issues a Universal Gasoline Credit Card that allows drivers to charge fuel purchases nationwide at participating gasoline chains.

ARI's national account programs fall under its Total Management

(Continued on page 66.)

SPECIAL MARKETING REPORT

OPERATING & MAINTENANCE COST STUDY

TOTAL ANNUAL OPERATING & MAINTENANCE COSTS
Cars & Trucks

Vocation	Per Vehicle Year	Annual Cost
Commercial ➤*Combined* Leasing	1,911.86	7,825,242,980.00
Government	1,207.71	956,506,320.00
Utilities	1,474.55	1,689,834,300.00
Rental	577.93	583,709,300.00
Police Taxi	1,420.49	113,639,250.00
TOTAL AVG.	1568.45	11,168,932,250.00

ANNUAL COST BY EXPENSE CATEGORY
Total Fleet

Expense Category	Per Vehicle Year	Annual Cost*
Fuel	890.00	6,342,817,020.00
Oil	39.77	283,202,170.00
Engine Tune-up	63.56	452,610,760.00
Cooling System	3.84	27,344,640.00
Brakes	65.08	463,434,680.00
Tires	95.60	680,767,600.00
Air Cond.	2.02	14,384,420.00
Glass	17.00	121,911,520.00
Transmission	27.29	194,332,090.00
Exhaust System	11.40	81,779,400.00
Collision Repair	164.02	1,167,986,420.00
Other	188.03	13,389,961,530.00
TOTAL AVG.	1,568.45	11,168,932,250.00

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FLEET REPLACEMENT CRITERIA
Passenger Cars

Vocation	Service Months	Replacement Mileage	Annual Mileage
Commercial	27.7	45,179	19,572
Leasing	26.6	57,137	25,776
TOTAL	27.0	56,349	25,044
Utilities	78.3	76,108	11,664
Government	68.9	77,581	13,512
TOTAL	70.4	77,532	13,225
TOTAL	45.7	65,217	17,125
Rental	**7.6**	**15,466**	**24,420**

FLEET REPLACEMENT CRITERIA
Light Truck Std. Vans

Vocation	Service Months	Replacement Mileage	Annual Mileage
Commercial	36.0	60,012	20,004
TOTAL	36.0	60,012	20,004
Utilities	87.0	82,215	11,340
Government	113.4	138,461	14,652
TOTAL	107.4	123,725	13,824
TOTAL	97.5	119,277	14,680
Rental	**NA**	**NA**	**NA**

FLEET REPLACEMENT CRITERIA
Mini-Vans

Vocation	Service Months	Replacement Mileage	Annual Mileage
Commercial	35.3	56,692	19,272
TOTAL	35.3	56,692	19,272
Utilities	67.0	62,245	11,220
Government	81.0	81,891	12,132
TOTAL	79.6	79,918	12,048
TOTAL	44.2	65,622	17,816
Rental	**NA**	**NA**	**NA**

ANNUAL COST BY EXPENSE CATEGORY
Commercial/Leasing

Expense Category	Per Vehicle/ Year	Annual Cost
Fuel	1,150.49	4,708,955,570.00
Oil	25.79	105,558,470.00
Engine Tune-up	38.48	157,458,640.00
Cooling System	(Incl. In "Other")	
Brakes	80.15	328,053,950.00
Tires	109.34	447,528,620.00
Air Cond.	(Incl. In "Other")	
Glass	23.35	95,571,550.00
Transmission	20.71	84,766,030.00
Exhaust System	(Incl. In "Other")	
Collision Repair	215.69	882,819,170.00
Other	247.86	1,014,490,980.00
TOTAL/AVG.	1,911.86	7,825,242,980.00

ANNUAL COST BY EXPENSE CATEGORY
Utilities

Expense Category	Per Vehicle/ Year	Annual Cost
Fuel	735.00	842,378,760.00
Oil	99.25	113,740,400.00
Engine Tune-up	171.01	195,977,460.00
Cooling System	(Incl. In "Other")	
Brakes	69.30	79,417,800.00
Tires	110.00	126,174,600.00
Air Cond.	(Incl. In "Other")	
Glass	(Incl. In "Other")	
Transmission	62.6	71,751,060.00
Exhaust System	36.80	42,172,800.00
Collision Repair	NA	NA
Other	190.42	218,221,320.00
TOTAL/AVG.	1,474.5	1,689,834,300.00

ANNUAL COST BY EXPENSE CATEGORY
Government

Expense Category	Per Vehicle/ Year	Annual Cost
Fuel	719.92	570,176,640.00
Oil	54.38	43,068,960.00
Engine Tune-up	94.96	75,208,320.00
Cooling System	28.69	22,722,480.00
Brakes	64.18	50,830,560.00
Tires	110.04	87,151,680.00
Air Cond.	18.00	14,256,000.00
Glass	6.36	5,037,120.00
Transmission	45.09	35,711,280.00
Exhaust System	18.57	14,707,440.00
Collision Repair	47.52	37,635,840.00
Other	0.00	0.00
TOTAL/AVG.	1,207.00	956,506,320.00

ANNUAL COST BY EXPENSE CATEGORY
Rental

Expense Category	Per Vehicle/ Year	Annual Cost
Fuel	148.89	150,378,900.00
Oil	17.51	17,685,100.00
Engine Tune-up	18.77	18,957,700.00
Cooling System	4.29	4,332,900.00
Brakes	(Incl. In "Other")	
Tires	12.30	12,423,000.00
Air Cond.	(Incl. In "Other")	
Glass	19.70	19,897,000.00
Transmission	(Incl. In "Other")	
Exhaust System	23.15	23,381,500.00
Collision Repair	231.75	234,158,400.00
Other	101.48	102,494,800.00

NOTE: Only Purchases Made by Rental Co. Are Included

TOTAL/AVG.	577.93	583,709,300.00

ANNUAL COST BY EXPENSE CATEGORY
Police/Taxi

Expense Category	Per Vehicle/ Year	Annual Cost
Fuel	806.44	64,515,200.00
Oil	36.02	2,881,600.00
Engine Tune-up	57.36	4,588,800.00
Cooling System	3.48	278,400.00
Brakes	58.74	4,699,200.00
Tires	86.42	6,913,600.00
Air Cond.	1.83	146,400.00
Glass	15.11	1,208,800.00
Transmission	26.43	2,114,400.00
Exhaust System	10.32	825,600.00
Collision Repair	146.55	11,884,000.00
Other	169.79	13,583,250.00
TOTAL/AVG.	1,420.00	113,639,250.00

SERVICING THE FLEET

Vocation	Service Own Vehicles*
Commercial Leasing ➤*Combined*	54.6%
Government	90.5%
Utilities	80.3%
Rental	80.7%
Polic/Taxi	79.5%
AVERAGE	66.7%

*IPA Audited & Certified

AUTOMOTIVE FLEET MARKET & PROFILE

Vocation	Circulation*	# Fleets	Cars	Lt. trucks/Vans	Total
Commercial	8,362	7,663 ➤*Combined*	2,918,000	1,175,000	4,093,000
Leasing	2,978	2,548			
Rental	1,602	1,511	870,000	140,000	1,010,000
Utilities	1,815	1,745	553,000	593,000	1,146,000
Government	2,051	1,877	543,000	249,000	792,000
Police/Taxi	747	712	75,000	5,000	80,000
(Allied)	3,337	—	—	—	—
TOTAL	20,876	16,056	4,959,000	2,162,000	7,121,000

*BPA Audited December 1989

METHODOLOGY & ANALYSIS

In August, 1989, AUTOMOTIVE FLEET assigned the project to identify the ACTUAL costs expended for operating expenses and maintenance to Al Cavalli, AF's cost consultant and recently retired Maintenance Director for Avis. Mr. Cavalli developed these data from the car and light truck fleets in AF's circulation representing a cross-section of vocational, geographical and fleet size elements to permit projection over the entire AF circulation for dependable cost totals for the industry.

Respondents: Vocation	# Responses	# Vehicles
Commercial	8	30,142
Leasing (2 Lessors) Accounts	986	226,400
Utilities	10	6,984
Government	13	29,362
Rental (3 Majors) Locations	938	282,400
TOTAL	1,955	575,288

ACTUAL operating expenses and maintenance costs were compiled for each vehicle for each vocation and then projected for total industry.

Note: Many [illegible] data by actually [illegible] operating and maintenance costs and [illegible] which could not be specifically identified as identifiable fixed costs such as [illegible] Other AF publications use ACTUAL and Assessment

automotive
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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

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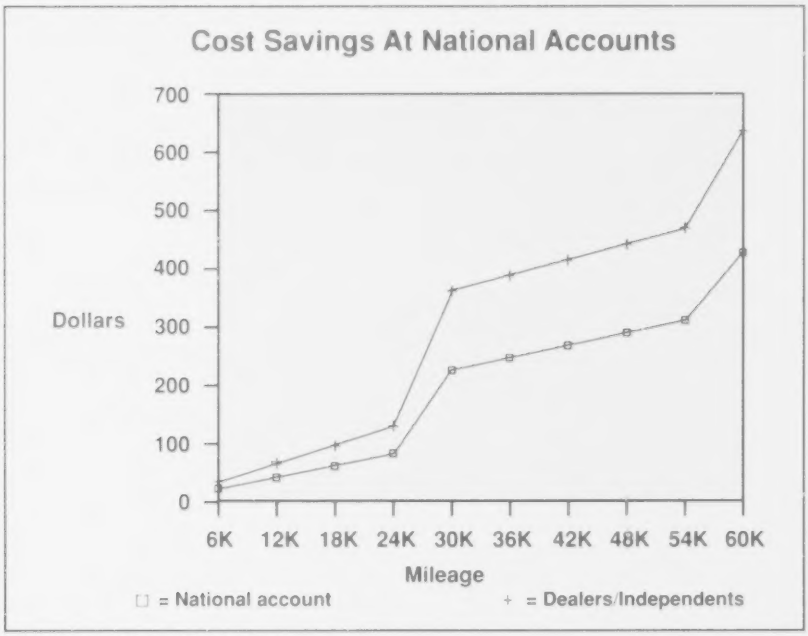
(Continued from page 60.)

System (TMS) where the lessor's service representatives handle maintenance and repair authorizations following discussions with the driver and the repair facility. Questionable repairs are discussed with the client fleet manager before service authorizations are given to a repair facility.

Clients are also kept up-to-date on all manufacturers' technical service bulletins and recall programs. Fleet managers have three ways of tracking fleet maintenance statistics under ARI's TMS program: "Access," an on-line computer system, allows a client direct access to ARI's database of vehicle service histories; "User Power" downloads the database to the client's PC and allows the client to evaluate ARI's service, and the "Fleet Management Report Series" of monthly hard copy reports cover topics such as expenses and mileage. AF



Source: United States Fleet Leasing

The graph to the left shows cumulative maintenance expense (in dollars), which is why both lines curve steadily upward and grow further apart as mileage increases. For example: At 30,000 miles the height of the line does not indicate the amount spent on maintenance at 30,000 miles, it indicates the total amount spent on maintenance from 0 through 30,000 miles; likewise, the distance between the lines indicates the cost savings from 0 through 30,000 miles.

The lines are very close together at the 6,000 mile mark (the left-most mark), because the difference between the two lines at that point indicates the cost savings on a single oil service. At 60,000 miles, the distance between the two lines indicates the cost savings accumulated over the entire life of the vehicle.

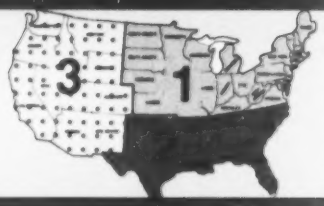
The two major upswings in the graph lines, at 30,000 miles and at 60,000 miles, reflects the fact that the maintenance schedule calls for the vehicles to have a major service at 30,000-mile intervals. A "major service" adds an engine tune-up, a cooling system service, and a transmission service to the usual lube, oil, and filter service, tire rotation, and brake inspection.

Maintenance/Repair Cost Savings National Accounts Vs. Independents

	National Account Average Cost	Dealers/Independents Average Cost	Difference	Percent Difference
Front Brake Reline	$105.00	$135.00	$30.00	29%
Front Brake Overhaul (FWD)	$137.50	$165.00	$27.50	20%
Rear Brake Reline	$78.00	$97.50	$19.50	25%
Rear Brake Overhaul	$122.00	$160.00	$38.00	31%
Four-Wheel Overhaul	$240.50	$325.00	$84.50	35%
Brake Inspection	$9.00	$12.00	$3.00	33%
Lube, Oil, Filter (5 qts.)	$19.00	$28.00	$9.00	47%
Top Fluid Levels	$6.00	$8.00	$2.00	33%
Air/Fuel/Breather Filter	$45.00	$62.00	$17.00	37%
Transmission Service	$50.00	$72.00	$22.00	44%
Front-End Alignment	$30.00	$40.00	$10.00	33%
Four-Wheel Alignment (inc shims)	$77.00	$105.00	$28.00	36%
MacPherson Strut (part replacement)	$170.00	$246.00	$75.00	44%
Shocks, gas (part replacement)	$71.00	$88.00	$17.00	24%
Rotate Tires (4)	$9.00	$12.00	$3.00	33%
Balance Tires (1)	$7.00	$10.00	$3.00	43%
Balance Tires (4)	$28.00	$40.00	$12.00	43%
Valve Stems	$2.00	$4.00	$2.00	50%
Coolant (drain & fill)	$45.00	$58.00	$12.50	27%
A/C Evacuate & Recharge	$50.50	$67.50	$17.00	34%

USED CARS

The following are average used-car prices for the period ending Feb. 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	Zone 1	Zone 2	Zone 3
88 BUICK SKYHAWK			
Coupe	5,475	5,529	5,365
Sedan	5,552	5,606	5,443
87 BUICK SKYHAWK			
Cust Coupe	4,474	4,518	4,384
Cust Sedan	4,544	4,589	4,451
88 BUICK SKYLARK			
Cust Sedan	6,610	6,677	6,478
87 BUICK SKYLARK			
Cust Sedan	5,537	5,592	5,425
88 BUICK CENTURY			
Cust Sedan	6,670	6,739	6,538
87 BUICK CENTURY			
Cust Sedan	5,550	5,606	5,439
88 BUICK LESABRE			
Cust Sedan	8,598	8,683	8,427
87 BUICK LESABRE			
Cust Sedan	7,219	7,292	7,075
88 CADILLAC DE VILLE			
Coupe	13,857	13,995	13,578
Sedan	14,019	14,160	13,739
87 CADILLAC DE VILLE			
Coupe	11,347	11,462	11,122
Sedan	11,487	11,604	11,257
88 CADILLAC SEVILLE			
Sedan	15,011	15,161	14,711
87 CADILLAC SEVILLE			
Sedan	12,647	12,775	12,396
88 CHEVY BERETTA			
Coupe	6,352	6,414	6,225
88 CHEVY CORSICA			
Sedan	5,965	6,027	5,849
87 CHEVY BERETTA			
Coupe	5,034	5,085	4,935
87 CHEVY CORSICA			
Sedan	4,641	4,691	4,551
88 CHEVY CAVALIER			
Sedan	5,368	5,422	5,261
87 CHEVY CAVALIER			
Sedan	4,117	4,158	4,036
88 CHEVY CELEBRITY			
Sedan	6,241	6,304	6,116
87 CHEVY CELEBRITY			
Sedan	4,993	5,043	5,894
88 CHEVY CAPRICE			
Sedan	7,107	7,177	6,965
87 CHEVY CAPRICE			
Sedan	5,762	5,818	5,645
88 CHRYSLER NEW YORKER			
Sedan	10,013	10,113	9,812
87 CHRYSLER NEW YORKER			
Sedan	7,152	7,221	7,008
88 CHRYSLER FIFTH AVENUE			
Sedan	9,831	9,930	9,636
87 CHRYSLER FIFTH AVENUE			
Sedan	7,746	7,822	7,590
88 DODGE ARIES AMERICA			
Sedan	4,873	4,920	4,775
87 DODGE ARIES			
Sedan	3,926	3,965	3,846
88 DODGE SHADOW			
Liftbk 5 Dr	5,219	5,272	5,116
87 DODGE SHADOW			
Liftbk 4 Dr	4,299	4,342	4,213
88 DODGE DYNASTY			
Sedan	7,900	7,979	7,742
88 FORD ESCORT			
Htchbk 4 Dr GL	4,411	4,455	4,323
87 FORD ESCORT			
Htchbk 4 Dr GL	3,486	3,522	3,418
88 FORD MUSTANG			
LX 4 Coupe	5,967	6,028	6,846
87 FORD MUSTANG			
LX 4 Coupe	4,875	4,923	4,778
88 FORD TEMPO			
GL Sedan 4 Dr	5,277	5,331	5,172
87 FORD TEMPO			
GL Sedan 4 Dr	4,240	4,284	4,156
88 FORD TAURUS			
GL Sedan 4 Dr	7,023	7,093	6,882
87 FORD TAURUS			
GL Sedan 4 Dr	5,812	5,870	5,697
88 FORD CROWN VICTORIA			
Sedan	9,207	9,299	9,024
87 FORD CROWN VICTORIA			
Sedan	7,665	7,742	7,511
88 FORD THUNDERBIRD			
Coupe	8,150	8,233	7,988
87 FORD THUNDERBIRD			
Coupe	6,721	6,789	6,586
88 LINCOLN			
Town Car Sedan	13,911	14,051	13,631
Mark VII Coupe	15,452	15,605	15,141
Continental Sedan	17,161	17,332	16,818
87 LINCOLN			
Town Car Sedan	11,700	11,815	11,465
Mark VII Coupe	12,470	12,596	12,221
Continental Sedan	12,659	12,787	12,407
88 MAZDA 626			
LX Sedan 4 Dr	8,493	8,577	8,323
88 MERCURY COUGAR			
LS Coupe	8,514	8,599	8,343
87 MERCURY COUGAR			
LS Coupe	7,059	7,129	6,918
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,363	5,415	5,254
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,249	4,293	4,165
88 MERCURY SABLE			
GS Sedan	7,129	7,199	6,986
87 MERCURY SABLE			
GS Sedan	5,835	5,895	5,719
88 MERCURY GRAND MARQUIS			
Sedan	9,702	9,798	9,509
87 MERCURY GRAND MARQUIS			
Sedan	8,245	8,326	8,079
88 NISSAN SENTRA			
Sedan 2 Dr	4,586	4,632	4,495
88 NISSAN STANZA			
E Ntch 4 Dr	7,369	7,442	7,222
88 NISSAN MAXIMA			
SE Sedan	11,358	11,472	11,131
87 NISSAN SENTRA			
Sedan 2 Dr	3,753	3,790	3,678
87 NISSAN STANZA			
E Ntch 4 Dr	5,891	5,950	5,773
87 NISSAN MAXIMA			
SE Sedan	8,869	8,959	8,692
88 OLDS CALAIS			
Sedan	6,536	6,600	6,406
87 OLDS CALAIS			
Sedan	5,544	5,599	5,431
88 OLDS CIERA			
Coupe	6,599	6,665	6,468
Sedan	6,670	6,739	6,538
87 OLDS CIERA			
S Coupe	5,536	5,590	5,425
Sedan	5,599	5,657	5,487
88 OLDS CUTLASS SUPREME			
Coupe	7,610	7,687	7,458
87 OLDS CUTLASS SUPREME			
Coupe	6,417	6,482	6,290
Sedan	6,417	6,482	6,290
88 OLDS 98 REGENCY			
Sedan	10,154	10,255	9,950
87 OLDS 98 REGENCY			
Sedan	8,460	8,545	8,290
88 PLYMOUTH RELIANT			
Sedan	4,897	4,946	4,801
87 PLYMOUTH RELIANT			
Sedan	3,945	3,983	3,867
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,215	5,268	5,111
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,280	4,323	4,194
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,417	5,472	5,308
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,330	4,373	4,243
88 PONTIAC SUNBIRD			
SE Coupe	5,495	5,552	5,386
Sedan	5,570	5,624	5,459
87 PONTIAC SUNBIRD			
SE Coupe	4,355	4,400	4,269
Sedan	4,289	4,332	4,203
88 PONTIAC 6000			
Coupe	6,311	6,375	6,186
Sedan	6,382	6,445	6,253
87 PONTIAC 6000			
Coupe	5,107	5,158	5,005
Sedan	5,166	5,219	5,064
88 PONTIAC GRAND AM			
Sedan	6,517	6,582	6,385
87 PONTIAC GRAND AM			
Sedan	5,785	5,842	5,669
88 PONTIAC BONNEVILLE			
Sedan	8,569	8,655	8,398
87 PONTIAC BONNEVILLE			
Sedan	7,277	7,350	7,132
88 PONTIAC GRAND PRIX			
Coupe	7,867	7,946	7,712
87 PONTIAC GRAND PRIX			
Coupe	6,532	6,598	6,402
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,610	6,676	6,478
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,794	8,881	8,618
88 TOYOTA CRESSIDA			
Lux Sedan	13,266	13,398	13,001
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	5,226	5,279	5,122
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,578	7,653	7,426
87 TOYOTA CRESSIDA			
Lux Sedan	11,079	11,190	10,858
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,034	7,104	6,893
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,793	5,851	5,677

CALENDAR

MARCH

11-14–Consumer Bankers Association, Automobile Finance Conference, Registry Hotel, Denver, CO. Information: (703) 276-1750.

29-30–Leasing Digest, Lease Company Management In An Era Of Fine Margins Seminar, Westin Hotel, Chicago, IL. Information: (212) 941-5880.

APRIL

19-21–National Truck Equipment Association Annual Convention, Washington Convention Center, Washington, D.C. Information: (800) 321-1988.

19-21–Automotive Fleet & Leasing Association's 22nd Annual Conference, J.W. Marriott, Houston, TX. Information: (213) 376-8788.

21–National Association of Fleet Resale Dealers Spring Convention, J.W. Marriott, Houston, TX. Information: (213) 838-3168.

22-25–National Association of Fleet Administrators' Annual Convention, Westin Hotel, Houston, TX. Information: (201) 494-8100.

MAY

8-13–National Vehicle Leasing Association Annual Convention, Ramada Renaissance, Washington, D.C. Information: (213) 838-3170.

8-11–Thrifty Licensee Meeting, The Swan-Walt Disney World, Orlando, FL. Information: (918) 665-3930.

15-17–National Car Rental Convention, Contemporary Hotel-Walt Disney World, Orlando, FL. Information: (612) 830-2548.

JUNE

10-13–Electric Utilities Fleet Managers Show, Williamsburg Lodge & Conference Center, Williamsburg, VA.

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GAS PRICES

City	UNLEADED Cost Per Gallon Unleaded Full-Serve	Self-Serve
Ketchikan, AK	164.4¢	146.4¢
Little Rock, AR	134.4	97.4
Phoenix, AZ	144.7	109.9
Needles, CA	141.4	114.9
Fort Myers, FL	137.9	106.9
Des Moines, IA	148.0	112.4
Kansas City, KS	125.9	102.2
Grand Rapids, MI	130.2	106.7
Billings, MT	128.2	106.7
Charlotte, NC	142.9	115.9
New York City, NY	122.2	104.9
Portland, OR	112.2	N/A
San Antonio, TX	130.4	96.9
Milwaukee, WI	133.4	102.3
Wheeling, WV	125.6	111.9

The average U.S. full-serve gasoline price for the month of February is 128.9 cents per gallon.
The average U.S. self-serve gasoline price for the month of February is 106.8 cents per gallon.
Survey conducted during the first five working days of February 1990.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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1990

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

special edition $35

FLEET FACT BOOK & BUYER'S DIRECTORY

- Statistics
- Manufacturers
- Fleet Lessors
- Retail & Other Lessors
- Remarketers
- Rental
- Dealers
- Reference

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE
BOBIT PUBLISHING

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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ABP BPA NAFA AFFILIATE A

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Fleet Figures by Type and Size as of 1/1/90

CARS

Type of Fleet	Leased or Managed	Company-Owned	Employee-Owned	Total
Businesses with 25 or More Cars	2,154,000	236,000	518,000	**2,908,000**
Businesses with 10 to 24 Cars	353,000	138,000	388,000	**879,000**
Other				
Government (Federal, state, county, and local)	105,000	438,000	—	**543,000**
Utilities	75,000	478,000	—	**553,000**
Police	7,000	237,000	—	**244,000**
Taxi	21,000	123,000	—	**144,000**
Daily Rental	102,000	795,000	—	**907,000**
Fleet Total	**2,817,000**	**2,445,000**	**906,000**	**6,178,000**
Individually-Leased (Lessors, either independent or dealers, leasing 1 to 9 cars as retail or consumer leases.)	2,140,000	—	—	2,140,000
INDUSTRY TOTAL	**4,957,000**	**2,445,000**	**906,000**	**8,318,000**

TRUCKS — CLASS I, II, AND III

Type of Fleet	Leased or Managed	Owned	Total
Businesses with 25 or More Light Trucks (Includes leasing, construction, plumbing, heating, food distribution, pest control, cable TV, etc.)	651,000	264,000	915,000
Businesses with 10 to 24 Light Trucks	175,000	85,000	260,000
Utilities	98,000	495,000	593,000
Government (Federal, state, county, and local.)	55,000	194,000	249,000
Daily Rental	10,000	130,000	140,000
Other (Police, taxi, etc.)	1,000	4,000	5,000
TOTAL	**990,000**	**1,172,000**	**2,162,000**

Car Fleet Registrations[1] By Month And Year

Totals include all fleets of 10 or more units.

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
JAN	117,135	110,666	93,700	100,500	141,669	158,782	181,524	188,000	178,400	179,400
FEB	97,789	100,205	78,300	91,200	142,006	142,643	162,615	159,100	185,500	183,100
MAR	118,773	108,836	84,500	105,800	136,526	162,472	164,697	165,300	186,200	197,400
APR	113,690	102,059	96,900	93,800	142,199	146,644	156,141	154,100	154,300	179,600
MAY	105,421	113,894	104,800	100,800	139,114	145,063	155,968	158,700	169,800	199,000
JUN	104,894	124,838	117,700	137,200	156,445	163,165	194,567	191,400	224,000	232,000
JUL	83,827	94,546	95,700	101,400	131,377	129,988	151,395	149,800	167,600	151,000
AUG	65,761	70,411	66,800	84,300	100,845	206,597	108,112	107,800	135,300	111,500
SEP	58,540	80,102	65,900	88,600	123,995	132,383	90,078	92,900	121,700	123,400
OCT	82,576	82,802	81,400	111,100	133,247	156,727	122,717	135,400	145,700	164,900
NOV	128,626	111,798	110,900	136,700	153,865	169,024	165,194	155,900	165,900	180,100
DEC	160,800	117,100	138,600	150,000	136,481	196,497	226,100	178,600	208,800	200,000[2]
Total	1,237,832	1,217,257	1,135,200	1,301,400	1,637,769	1,909,985	1,879,108	1,837,000	2,043,200	2,101,400

[1]Includes all government registrations
[2]December estimated

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New Fleet Vehicles Registered

CARS	On all accounts buying 10 or more new units each year.								In Thousands	
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989[2]
Renting/Leasing	887	895	841	1,014	1,251	1,590	1,594	1,595	1,770	1,801
Commercial	207	215	185	194	217	206	176	157	191	152
Government[1]	83	73	71	66	79	79	81	73	82	88
TOTAL	**1,177**	**1,183**	**1,097**	**1,274**	**1,547**	**1,875**	**1,851**	**1,825**	**2,043**	**2,041**

TRUCKS	On all accounts buying 10 or more new units each year								In Thousands	
Renting/Leasing	181	150	150	160	281	435	411	405	473	491
Commercial	199	182	147	144	207	225	203	210	233	222
Government[1]	88	70	67	66	78	95	103	93	99	107
TOTAL	**468**	**402**	**364**	**370**	**566**	**755**	**717**	**708**	**805**	**820**

COMBINED CAR and TRUCK	On all accounts buying 10 or more new units each year								In Thousands	
Renting/Leasing	1,068	1,045	991	1,174	1,532	2,025	2,005	2,000	2,244	2,292
Commerical	406	397	332	338	424	431	379	367	424	375
Government[1]	171	143	138	132	157	174	184	166	181	194
TOTAL	**1,645**	**1,585**	**1,461**	**1,644**	**2,113**	**2,630**	**2,568**	**2,533**	**2,849**	**2,861**

[1]Excludes Federal Government
[2]Month of December registrations are estimated.

Buerge Motor Car Company Fleet Group team, left to right, Rene Blankenship, Dean Schneider, Rose Smith and Gigi Farag.

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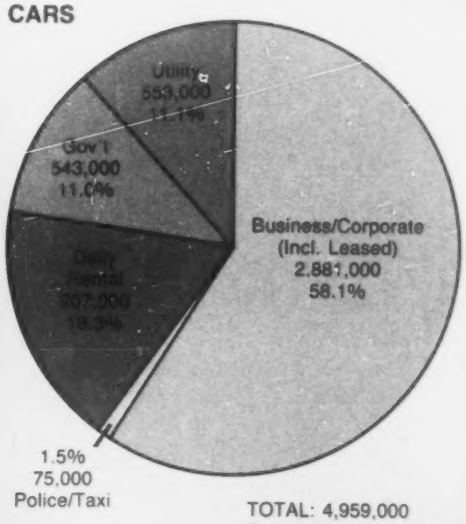
U.S. CARS IN FLEETS BY TYPE OF BUSINESS
(Owned and Leased)

TYPE OF FLEET	CARS (in Thousands)									
Business Fleets—25 or more	**1980**	**1981**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**
Salesman Owned	345	341	340	340	344	348	420	410	425	518
Company Owned	222	226	228	224	232	226	260	252	235	236
Leased by Companies (By Types of Lease)										
Finance & Management	1,588	1,617	1,525	1,553	1,545	1,630	1,600	1,632	1,893	1,856
Partial/Full Maintenance	234	230	313	315	313	352	305	313	161	140
Net/Fixed	146	139	136	134	156	168	145	148	146	158
TOTAL Fleet Leased	1,968	1,986	2,000*	2,060*	2,095*	2,150	2,050	2,093	2,200	2,154
Business Fleets—10-24 cars										
Owned	458	452	450	448	452	452	480	475	481	526
Leased	266	282	288	293	297	308	320	334	348	353
Individually Leased	1,708	1,713	1,645	1,653	1,657	1,800	1,975	2,098	2,160	2,140
Other Fleets										
Government	651	649	500	500	528	528	535	538	543	543
Utilities	532	537	530	533	540	540	545	550	553	553
Police	288	284	223	221	228	233	238	240	242	244
Taxi	205	198	141	139	140	140	143	144	144	144
Daily Rental	500	462	457	466	755*	760	790	800	870	907
Driver School	20	19	18	18	—**					
TOTAL	2,196	2,149	1,869	1,877	2,191	2,201	2,251	2,272	2,352	2,391
NOTE Number of Cars in Fleets of 4 or More	10,433	10,436	10,076	10,400	10,475	10,508	10,560	10,578	10,597	10,592

Source: *Automotive Fleet* Research Department
* Adjustment with new data ** Combined with Business Fleets

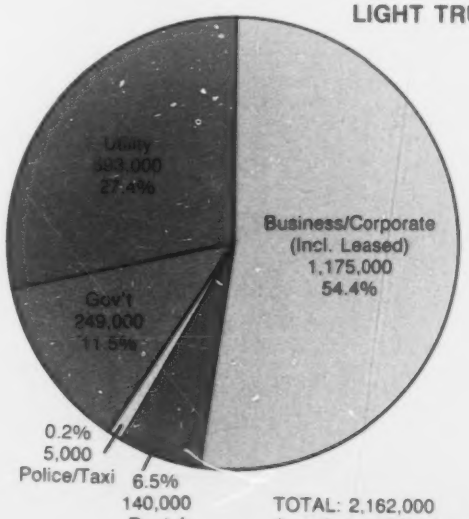
COMPOSITION OF THE *AUTOMOTIVE FLEET* FLEET/LEASING MARKET

CARS



TOTAL: 4,959,000
Avg. Annual Mileage — 27,500
Avg. Trade-in Time — 30.2 mos.

LIGHT TRUCKS/VANS



TOTAL: 2,162,000
Avg. Annual Mileage — 18,500
Avg. Trade-in Time — 60.5 mos.

Passenger Car Fleet Registrations
1983-1989 Model Years

AMERICAN MOTORS	30,640 *3.0%*	33,739 *2.0%*	31,742 *2.0%*	13,716 *1.0%*	4,281 *1.0%*	—	—
AMERICAN ISUZU	—	—	—	—	—	5,387 *1.0%*	4,237 *1.0%*
BUICK	125,379 *11.0*	147,646 *10.0*	155,342 *9.0*	122,127 *5.0*	95,170 *5.0*	103,389 *5.0*	109,299 *5.0*
CADILLAC	30,496 *3.0*	45,408 *3.0*	41,946 *2.0*	39,540 *2.0*	49,565 *3.0*	55,828 *2.0*	58,179 *3.0*
CHEVROLET	199,391 *17.0*	284,690 *16.0*	323,540 *19.0*	348,727 *20.0*	355,359 *21.0*	357,166 *20.0*	344,291 *17.0*
CHRYSLER	26,102 *2.0*	42,545 *3.0*	47,209 *3.0*	61,035 *4.0*	40,135 *3.0*	57,848 *3.0*	48,549 *2.0*
DODGE	87,254 *8.0*	93,997 *6.0*	93,975 *5.0*	103,000 *5.0*	94,145 *5.0*	115,368 *6.0*	147,427 *7.0*
EAGLE	—	—	—	—	—	1,145 *1.0*	7,245 *1.0*
FORD	176,739 *15.0*	322,710 *19.0*	337,202 *19.0*	265,712 *16.0*	330,134 *20.0*	389,691 *21.0*	398,940 *20.0*
LINCOLN-MERCURY	113,121 *10.0*	155,302 *10.0*	148,121 *8.0*	135,182 *8.0*	163,274 *10.0*	164,527 *9.0*	176,091 *9.0*
MAZDA	N/A	N/A	N/A	N/A	N/A	N/A	16,991 *1.0*
MITSUBISHI	N/A	N/A	N/A	3,447 *1.0*	6,403 *1.0*	2,617 *1.0*	14,985 *1.0*
NISSAN	58,918 *5.0*	61,719 *4.0*	81,599 *5.0*	80,141 *5.0*	62,719 *4.0*	69,289 *4.0*	77,332est *4.0*
OLDSMOBILE	158,342 *14.0*	194,320 *12.0*	189,137 *10.0*	193,510 *12.0*	137,842 *8.0*	129,481 *8.0*	126,179 *6.0*
PLYMOUTH	85,960 *7.0*	91,594 *5.0*	80,736 *5.0*	92,777 *5.0*	79,373 *4.0*	88,962 *4.0*	75,402 *4.0*
PONTIAC	56,975 *5.0*	96,984 *6.0*	134,508 *8.0*	163,973 *10.0*	152,001 *8.0*	155,550 *8.0*	174,286 *9.0*
SUBARU	N/A	N/A	6,035 *1.0*	10,505 *1.0*	9,087 *1.0*	18,588 *1.0*	38,432 *2.0*
TOYOTA	N/A	50,407 *4.0*	69,540 *4.0*	104,409 *5.0*	99,466 *6.0*	104,424 *5.0*	113,946 *6.0*
VOLVO	N/A	N/A	N/A	N/A	N/A	2,032 *1.0*	4,411 *1.0*
VW	N/A	N/A	N/A	N/A	N/A	N/A	7,724 1.0

Basic registration data is furnished by each manufacturer, and they may use differing bases.

Footnote: Honda, Acura and Hyundai fleet figures are not available.

1989-Model Year Registrations

Fleet vs. Retail

SUBCOMPACT			
Cabriolet	10,093	851	8.0%
Cavalier	303,475	63,357	21.0
Chevette/Geo Spectrum	62,148	8,033	13.0
Colt/Summit	109,511	1,492	1.4
Eagle	45,663	6,705	14.7
Eclipse	32,108	253	1.0
Escort	366,165	49,921	13.6
Festiva	70,653	4,950	7.0
Fiero	6,218	161	3.0
Firenza	1,868	77	4.0
Fox	42,491	1,575	3.7
Hatchback/Subaru	3,005	110	4.0
Horizon	44,740	3,028	6.8
I-Mark	12,421	1,113	9.0
Justy	25,664	1,114	4.0
Laser	14,212	236	1.7
LeMans/1000	59,331	10,249	17.0
Mirage	29,131	8,705	30.0
MR2	5,213	719	14.0
Mustang	173,184	43,095	24.9
Nova/Geo Prizm	72,499	16,111	22.0
Omni	45,643	3,794	8.3
Precis	15,037	1,698	11.2
Probe	138,473	19,748	14.3
Pulsar	20,541	1,903	9.0
Sentra	152,492	29,974	20.0
Skyhawk	21,055	2,823	13.0
Somerset/Skylark	60,763	17,246	28.0
Sprint/Geo Metro	50,781	5,467	11.0
Sunbird	97,281	20,881	21.0
Tercel	90,638	11,723	13.0
Tracer	53,865	7,238	13.0
323	28,462	1,767	6.0

COMPACT			
Acclaim	67,978	24,286	35.7%
Aries	52,998	28,326	53.4
Beretta	157,124	24,616	16.0
Calais	100,218	12,734	13.0
Camaro	108,978	5,018	5.0
Celica	52,511	6,621	13.0
Corolla	165,580	38,450	23.0
Corsica	192,642	80,902	42.0
Daytona	62,500	2,265	3.6
Firebird	60,034	2,505	4.0
Golf/GTI	22,773	2,233	10.0
Grand Am	218,753	62,620	29.0
Jetta	52,070	3,065	6.0
Lancer	4,003	494	12.3
Legacy	16,331	1,988	12.0

continued in facing column

COMPACT continued			
Loyale	9,308	7,726	83.0
Reliant	51,126	22,908	44.8
Shadow	81,730	21,118	25.8
Spirit	56,190	23,359	41.6
Stanza/Axxess	32,662	7,646	23.0
Station Wagon/Subaru	39,462	5,906	15.0
Sundance	87,618	21,308	24.3
Tempo	247,761	79,093	31.9
Topaz	65,538	26,487	40.0
Touring Station Wagon/Subaru	4,578	295	6.0
XT	6,891	549	8.0
XT6	5,685	512	9.0
3-Door/Subaru	7,439	1,302	18.0
4-Door/Subaru	35,757	18,930	53.0
200SX/240SX	44,613	10,928	24.0

INTERMEDIATE			
Bonneville	95,011	19,938	21.0%
Camry	210,762	45,249	21.0
Caravelle	1,556	52	3.3
Celebrity	190,406	65,523	34.0
Century	142,106	36,219	25.0
Cougar	77,347	18,691	24.0
Cutlass Ciera	214,124	53,296	25.0
Cutlass Supreme	112,852	30,156	27.0
Dodge 600	1,751	68	3.9
Dynasty	110,160	63,284	57.4
Galant	30,511	4,110	13.0
Grand Prix	121,326	29,958	25.0
LeBaron-KCV	1,997	47	2.4
LeBaron GTS	5,524	536	9.7
Lumina	51,381	21,891	43.0
Maxima	141,054	21,772	15.0
Monte Carlo	3,614	86	2.0
New Yorker (C Body)	33,095	8,816	26.6
New Yorker (E Body)	406	1	0.2
Pontiac 6000	79,158	27,342	35.0
Regal	94,900	15,773	17.0
Sable	75,437	40,040	53.0
Sigma	21,000	219	1.0
Taurus	356,823	142,735	40.0
Thunderbird	116,430	23,623	20.3
Mazda 626	50,597	3,881	7.6
244 Volvo	28,733	2,295	8.0
245 Volvo	12,743	1,121	9.0
744 Volvo	33,754	915	3.0
745 Volvo	14,047	35	0.0

chart continued on page 24

(1) Retail figures reported are for total sales, which includes fleet.

STANDARD			
Caprice	164,217	50,509	31.0%
Crown Victoria	114,081	35,775	31.4
Custom Cruiser Station Wagon	9,263	906	10.0
Delta 88	138,503	19,658	14.0
Diplomat	6,377	4,177	65.5
Grand Marquis	105,153	12,445	12.0
Gran Fury	3,717	3,217	86.5
Fifth Avenue	15,042	311	2.1
Fifth Avenue (Y-body)	2,434	1,462	60.1
LeBaron Convertible	44,488	14,258	32.0
LeBaron Coupe	39,456	7,556	19.2
LeSabre	139,287	21,269	15.0
Premier	45,663	6,705	14.7
Safari Station Wagon	5,009	632	13.0
LUXURY			
Allante	2,864	696	24.0%
Brougham	38,470	8,268	21.0
Cimarron	1,361	53	4.0
Continental/Mark VII Town Car/Scorpio/ XR4Ti	143,364	71,190	50.0

continued in facing column

LUXURY continued			
Corvette	22,035	2,778	13.0
Cressida	17,905	4,343	24.0
DeVille/Fleetwood	174,234	35,344	20.0
Eldorado	32,398	4,088	13.0
Electra/Park Avenue	90,172	11,917	13.0
Lexus	1,459	397	27.0
New Yorker Landau	56,439	15,519	27.5
Reatta	7,514	2,033	27.0
Riviera	19,411	2,019	10.0
Seville	23,960	9,730	41.0
Supra	13,668	3,004	22.0
Toronado	9,156	868	9.0
98	70,918	8,484	12.0
300ZX	14,461	5,109	35.0
764 Volvo	9,024	24	0.0
765 Volvo TGA	3,077	11	0.0
782 Volvo	2,219	12	1.0
929	18,293	2,757	15.0

(2) Sales data, not registrations.

Note: Import share of fleet is 24.8%
Domestic share of total fleet is 75.2%

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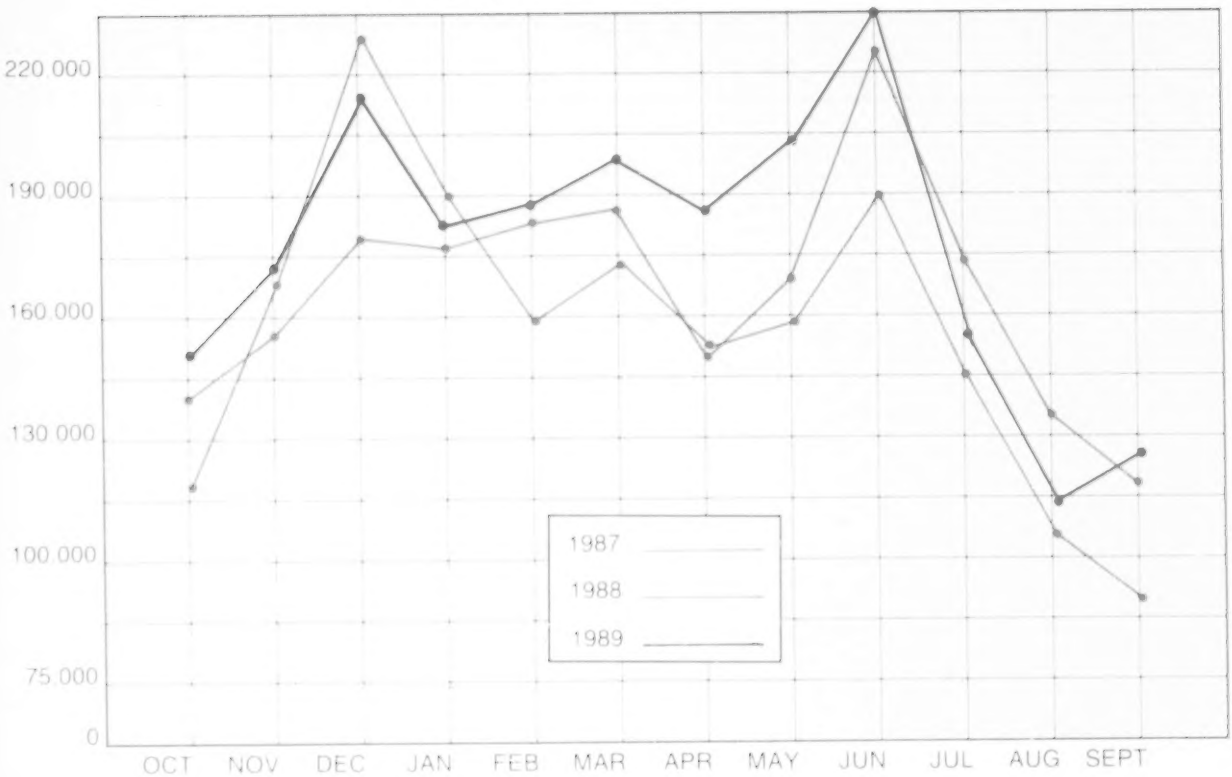
Historic Fleet Registrations By Month & Model Year



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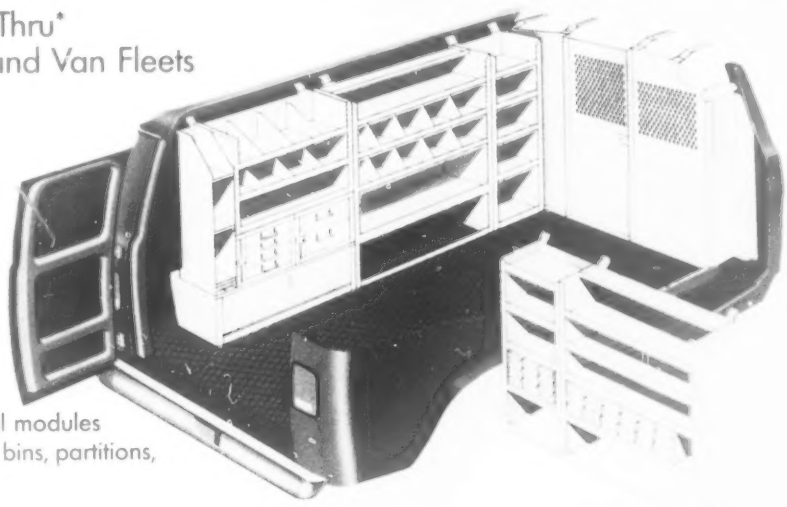
- Dodge Mini Vans
- Dodge Dakotas and Full Size Pick-Ups



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(1/1/90)

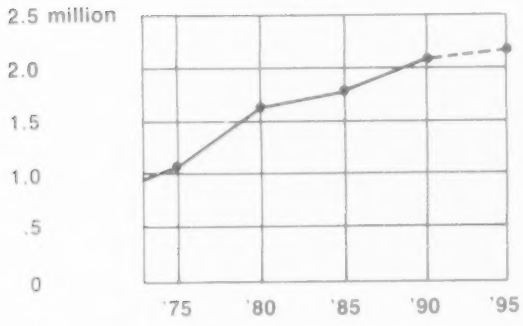
LEASING & RENTAL: Past Growth & Future Projections

LEASED SEGMENT	1975 Units	1975 $ Rev.	1980 Units	1980 $ Rev	1985 Units	1985 $ Rev	1989 Units	1989 $ Rev	1990 (est.) Units	1990 (est.) $ Rev
	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions
Business Fleets +25 Other* Incl.	1,666		1,968		2,150		2,154		2,210	
Bus. Flts. 4-24	263		282		308		353		355	
Retail or Individual	1,072		1,708		1,800		2,140		2,150	
Total Cars Fleet Leased	**3,001**	**$ 9,100**	**3,958**	**$18,900**	**4,258**	**$27,450**	**4,647**	**$32,000**	**4,715**	**$33,000**
Truck Leasing	735	$4,200	800	$7,300	878	$10,000	990	$13,500	1,050	$16,000
Total Vehicle Leasing	**3,985**	**$13,300**	**5,000**	**$26,200**	**5,374**	**$37,450**	**5,637**	**$45,500**	**5,765**	**$49,000**
RENTAL SEGMENT										
Car Rental	355	$ 1,400	500	$ 2,800	760	$ 4,600	907	$ 7,115	925	$ 7,500
Truck Rental (all G.V.W.s)	160	$ 1,000	175	$ 2,300	200	$ 3,400	202	$ 3,750	210	$ 4,700
Total Vehicle Rental	**515**	**$ 2,400**	**675**	**$ 5,100**	**960**	**$ 8,000**	**1,109**	**$10,865**	**1,135**	**$12,200**

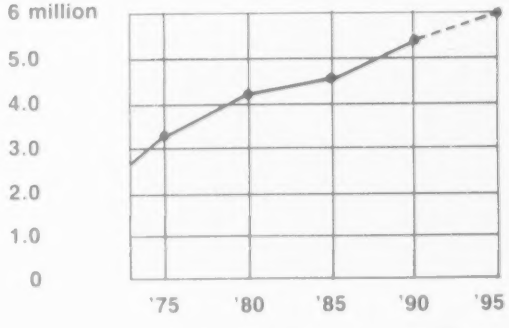
*Other includes all 50+ % non-personal use regardless of registration.

SOURCE: Automotive Fleet Research Dept. — © Copyrighted 1990

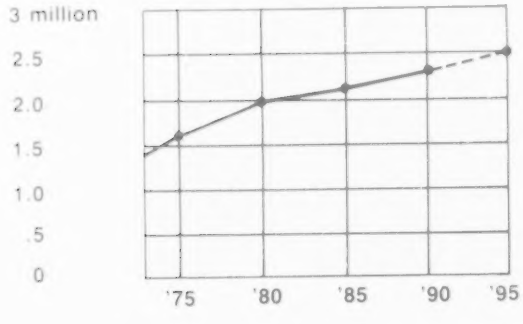
Retail Leasing Units



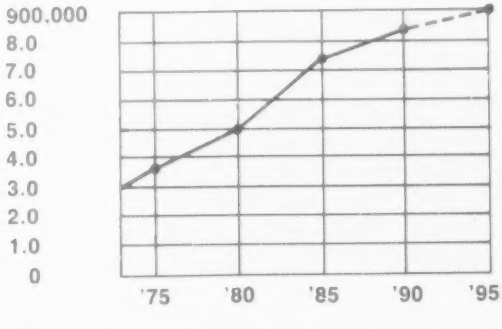
All Vehicles Leasing Units



Business Fleets Leased 25 or More Units



Daily Rental Units



Tracking the Top 10 Fleet Lessors

Total — US Vehicles/Year

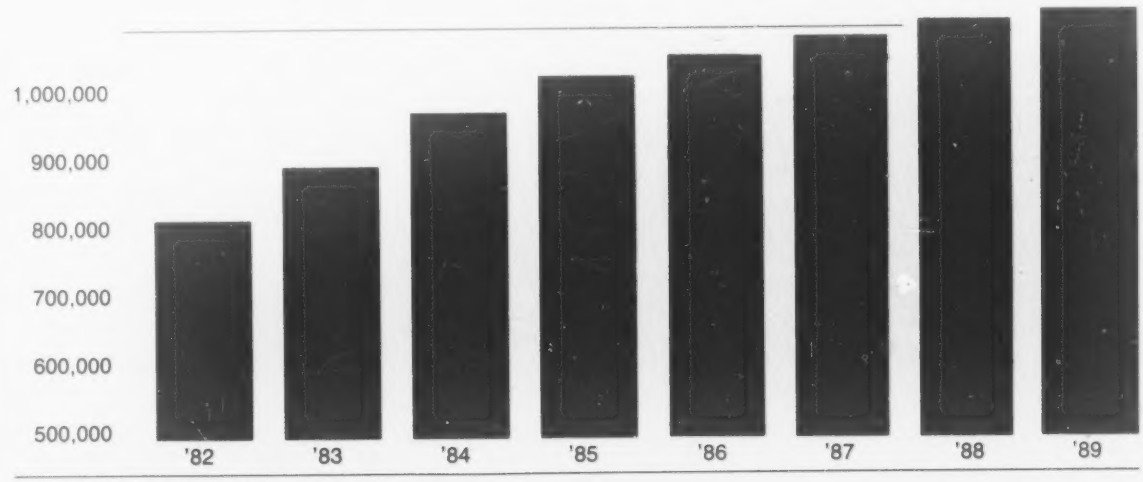
Lessor	1982	1983	1984	1985	1986	1987	1988	1989
GE Capital Fleet Services	—	—	—	—	—	420,000[1]	400,000	375,000
(Gelco)[2]	(215,000)	(235,000)	(267,000)	268,000)	(270,000)	—	—	—
(D&K)[2]	(46,000)	(80,000)	(80,000)	(84,000)	(100,000)	—	—	—
(McCullagh)[3]	(75,000)	(75,000)	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	(75,000)
PHH	185,000	200,000	200,000	225,000				326,500
(Avis)[4]	(44,000)	(44,500)	(44,500)	(48,000)	275,000	290,000	313,000	40,000
Wheels	70,000	70,000	80,000	90,000	100,000	100,000	105,000	105,000
Lease Plan USA	—	—	—	—	—	70,000	80,000	92,000
ARI	35,000	50,000	65,000	65,000	70,000	75,000	75,000	148,500
(Lend Lease)[5]	37,500	42,500	50,000	60,000	58,000	85,000	91,000	—
U.S. Fleet Leasing	45,000	45,000	50,000	50,000	50,000	68,000	75,000	85,000
(Hertz)[6]	(45,000)	(50,000)	(50,000)	(50,000)	* * *			
Associates	13,000	13,000	22,000	24,000	27,000	41,600	45,800	53,000
LMV	17,000	17,000	20,000	24,000	33,000	38,000	45,300	47,000
Top 10 Total	**827,500**	**922,000**	**1,008,500**	**1,068,000**	**1,063,000**	**1,267,600**	**1,310,100**	**1,347,000**

[1]GE Capital Fleet Services fleet total also includes Kerr Leasing, which was acquired in 1984.

[2]Purchased by GE Capital in 1987 [3]Purchased by GE Capital in 1990 [4]Purchased by PHH in 1986
[5]Lend Lease Purchased by Holman Enterprises (ARI) in 1989 [6]Purchased by USFL in 1986

The "Big" Get "Bigger"

Number of Vehicles Among Top 10 Lessors



Sources: *Automotive Fleet* Research Dept.

Index of Leading Lessors

(Includes lessor fleet managed units. Does not include rentals)

(Data supplied by individual lessors except where indicated)

Rank	FLEET LESSORS	No. Cars	No. Trucks	Total Vehicles
1.	GE Capital Fleet Services	202,000	173,000	375,000
	McCullagh (owned by GE Capital)	(45,050)[1]	(29,950)[1]	(75,000)[1]
2.	PHH FleetAmerica	173,000	110,000	283,000
	Avis (owned by PHH)	(38,000)[2]	(2,000)[2]	(40,000)[2]
3.	ARI	84,600	63,900	148,500
4.	Wheels	73,500	31,500	105,000
5.	Lease Plan USA	71,000	21,000	92,000
6.	U.S. Fleet Leasing	60,000	25,000	85,000
7.	Associates	25,500	27,500	53,000
8.	LMV	32,000	15,000	47,000
9.	Donlen	26,000	7,000	33,000
10.	Enterprise	27,900	2,100	30,000
11.	World Omni	23,000	6,000	29,000
12.	AT&T	7,000	14,000	21,000
13.	Mike Albert	15,800	2,200	18,000
14.	Fleetmark	2,000	16,000	18,000
15.	Emkay	14,000	3,500	17,500
16.	Transamerica Fleet Leasing	11,000	6,000	17,000
17.	Sovran	12,000	3,500	15,500
18.	Leasing Associates/Allstate	12,500	2,000	14,500
19.	Auto Rental Corp.	7,000	6,000	13,000
20.	Leaseway Puerto Rico	6,000*	2,500*	8,500
	TOTALS	**968,850**	**569,650**	**1,538,500**

*Car & Truck Breakout, AF Estimate

TRUCK LESSORS

1.	Penske Truck Leasing	—	50,000	50,000
2.	Ryder	—	50,000	50,000

RETAIL & OTHER LESSORS

1.	Ford Dealers	380,000	233,000	613,000
2.	GE Capital Auto Lease, Inc.	189,000	36,000	225,000
3.	Security Pacific	34,920	3,280	38,200
4.	Bankers Leasing	16,000	24,000	40,000

[1] Not included in GE Capital fleet totals.
[2] Not included in PHH fleet totals.

Top 30 Banks In Vehicle Leasing

Bank	Location	Leases in Portfolio at End of 1989	1988	1987
1. Marine Midland Bank	Buffalo, NY	140,000	141,000	99,235
2. Wells Fargo Bank	Oakland, CA	57,300	48,500	45,874
3. First Interstate Bank of California	Cerritos, CA	43,294	43,591	42,211
4. First Fidelity Bank Leasing Group	Wayne, PA	42,587	43,265	39,500
5. Citicorp National Services, Inc.	St. Louis, MO	38,577	24,183,	13,413
6. Security Pacific Corp.	Woodland Hills, CA	36,000	41,800	51,500
7. BancOne Acceptance Corp.	Columbus, OH	32,540	36,582	36,811
8. Maryland National BankLease	Baltimore, MD	29,000	31,000	27,000
9. Chase Manhattan Bank N.A./ Chase Automotive Finance	Manhasset, NY	28,500	17,223	11,121
10. BancNew England Leasing Group	Boston, MA	27,450	22,558	17,200
11. Continental Bank Corp.	Ft. Washington, PA	24,200	21,250	15,000
12. Manufacturers Hanover Wheelease, Inc.	Hicksville, NY	23,779	26,112	27,852
13. Huntington National Bank	Columbus, OH	21,285	20,997	19,800
14. Trust Company Bank	Atlanta, GA	19,714	22,500*	21,656
15. First Pennsylvania Bank-Lease	Ft. Washington, PA	19,598	17,400	17,294
16. Union Bank – Stanchart Leasing	Orange, CA	19,229	19,800	18,500
17. The Fifth Third Bancorp.	Cincinnati, OH	17,076	11,582	12,795
18. Central Bank	Pacheco, CA	11,500	16,000	14,794
19. National Bank of Detroit	Detroit, MI	10,900	14,575	16,368
20. Society Lease, Inc.	Cleveland, OH	10,164	9,000	—
21. Sanwa Bank of California	Monterey Park, CA	9,432	7,419	3,771
22. Manufacturers National Bank of Detroit	Detroit, MI	9,129	11,300*	10,677
23. National City Bank	Cleveland, OH	8,555	12,883	13,436
24. Seafirst Bank	Seattle, WA	8,351	8,700	6,397
25. First Union National Bank	Charlotte, NC	8,000	10,389	7,871
26. Star Bank Corp.	Cincinnati, OH	8,000	8,727	7,000
27. Citizens and Southern Leasing	Atlanta, GA	7,785	9,248	10,300
28. First National Bank of Atlanta	Atlanta, GA	7,778	7,943	8,000
29. Provident National Bank	Wilmington, DE	7,000	—	—
30. Valley National Bank	Phoenix, AZ	6,354	6,104	5,280

Source: Automotive Fleet *Research Department* **AF Estimate*

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U.S. Daily-Rental Market Profile—1/1/90

Rank	Company	Number U.S. Locations	Number U.S. Cars (Incl. Licensees)	Percent Fleet Share	Estimated '89 Revenue (Millions)
Primarily Business/Leisure					
1	Hertz	1,500	170,000	24.3%	$1,530
2	Avis	1,400	145,000	20.7%	1,300
3	Budget	1,200	107,000	15.3%	920
4	National	1,000	100,000	14.3%	825
5	Alamo	130	70,000	10.0%	525
6	Dollar	325	35,000	5.0%	255
7	Thrifty	350	27,000	3.8%	235
8	General	60	18,000	2.6%	190
9	American Int'l	175	15,000	2.1%	175
10	Value, Avon, Etc.	50	14,000	1.9%	160
		6,190	701,000	100.0%	$6,115
Primarily Accident/Repair					
1	Enterprise	410	82,000	59.0%	375
2	Agency	525	30,000	21.6%	140
3	Snappy	260	18,000	12.9%	80
4	Action	140	9,000	6.5%	40
		1,335	139,000	100.0%	$635
U.S. Industry Totals		7,525	840,000	—	$6,750
Local & Repair Major Factory Dealer Systems					
1	FRAC (Ford)	5,500	28,000	41.8%	$ 155
2	GM (Not organized)	6,000	21,000	31.3%	120
3	DRAC (Chrysler)	4,000	18,000	26.9%	90
		15,000	67,000	100.0%	$365
Total Market			907,000	100.0%	7,115

Avg. Mo. Revenue/Car	
Business/Leisure	$744 / Car / Mo.
Accident/Repair	$448 / Car / Mo.

Source: *Automotive Fleet* Research Department Copyrighted 1990.

Size and Model Cars Purchased By Major Leasing Companies 1989 vs. 1988

SIZE AND MODEL
(In Percent)

Luxury	Standard	Intermediate	Compact	Subcompact	Imports
Electra/Park Ave.	LeSabre	Regal	Eagle	Alliance	All
Riviera	Caprice	Century	Skylark	Skyhawk	Models
Coupe de Ville	Diplomat	Monte Carlo	Aries	Cavalier	
Sedan de Ville	LTD Crown Vic	Celebrity	Laser	Omni	
Fleetwood	Grand Marquis	LeBaron	Daytona	Colt	
Eldorado Coupe	Delta 88	Thunderbird	Topaz	Escort/EXP	
Seville Sedan	Fifth Ave	Cougar	Calais	Capri	
Continental		Cutlass Supreme	Reliant	Horizon	
Mark VII		Cutlass Ciera	Camaro	Fiero	
Town Car		6000	LeBaron GTS	Mustang	
Olds 98		Grand Prix	Tempo	Sprint	
Toronado		Bonneville	Somerset Regal	Spectrum	
Corvette		New Yorker	Grand Am	Nova	
Allante		Taurus	Firebird	Sunbird	
XR4Ti		Sable	Conquest/Vista	Tracer	
Scorpio		Premier	Lancer	LeMans	
		Dynasty	Golf		
			Shadow		
			Sundance		
			Beretta		
			Corsica		
			Medallion		

COMPANY	YEAR	LUXURY	STANDARD	INTER-MEDIATE	COMPACT	SUB-COMPACT	IMPORTS
ASSOCIATES	1989	4.9	17.0	62.2	11.1	2.1	2.7
	1988	5.8	17.7	62.0	9.3	2.1	3.1
ARI	1989	5.2	12.8	62.0	12.0	6.0	2.0
	1988	6.0	10.0	57.0	19.0	6.4	1.6
DONLEN	1989	2.9	11.6	71.0	9.4	3.7	1.4
	1988	4.4	11.8	66.7	12.0	3.6	1.5
ENTERPRISE	1989	6.1	9.6	70.7	7.1	2.7	3.8
	1988	6.2	10.1	74.5	6.4	2.5	0.3
GE CAPITAL FLEET SERVICES	1989	1.5	11.7	62.3	16.4	5.9	2.2
	1988	1.4	11.9	61.5	15.9	6.7	2.6
LEASE PLAN	1989	1.1	5.2	71.2	16.4	2.8	3.3
	1988	2.0	7.0	70.4	14.1	4.2	2.3
LMV	1989	1.9	10.6	65.0	10.4	5.5	6.6
	1988	1.0	10.5	66.1	11.7	8.5	2.2
MCCULLAGH	1989	2.7	24.9	57.1	7.5	4.9	2.9
	1988	6.7	15.0	57.8	10.0	8.7	1.8
PHH FLEET AMERICA	1989	2.3	7.7	65.8	17.4	4.7	2.0
	1988	2.5	8.5	64.5	18.8	5.0	0.9
U.S. FLEET LEASING	1989	4.0	11.5	61.0	18.0	1.0	4.5
	1988	5.0	15.3	63.4	13.9	1.1	1.3
WHEELS	1989	1.8	10.2	72.1	8.6	5.1	2.2
	1988	2.0	7.5	75.9	8.8	4.6	1.2

Fleet-Car Operating Costs by Region

1 = New England 2 = Mid East 3 = Great Lakes 4 = Southeast 5 = Plains 6 = Southwest 7 = Rocky Mountains 8 = Far West

Regional Code	Running Expenses ¢/mile	Standing Expenses $/month
1	7.20	339.84
2	7.49	332.73
3	6.53	346.41
4	6.62	339.45
5	6.43	334.31
6	6.73	333.61
7	7.04	313.25
8	7.14	317.70
USA	**6.81**	**336.88**

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as insurance and license fees. Data covers leased cars and company-owned cars, from December 1988 U.S. Corporate Fleet Performance Report.
Source: PHH FleetAmerica, Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

NAFA Personal-Use and Used-Car Data

Reimbursement For Use Of Personal Car
Mileage Only
(No Assigned Fleet Car)
U.S. Commercial Fleets

Amount	1984	1985	1986	1987	1988
15¢ or less	1%	1%	Industry	Industry	Industry
16-19¢	10%	5%	average:	average:	average:
20¢	56%	42%	20.6¢	21.5¢	16.8¢
20½¢	22%	22%			
21-24¢	10%	28%			
25¢ or more	1%	2%			

Reimbursement For Use Of Personal Car
Mileage Only
(Assigned Fleet Car Not In Service)
U.S. Commercial Fleets

Amount	1984	1985	1986	1987	1988
15¢ or less	1%	2%	Industry	Industry	Industry
16-19¢	8%	5%	average:	average:	average:
20¢	56%	42%	20.7¢	21.4¢	22.4¢
20½¢	23%	23%			
21-24¢	9%	26%			
25¢ or more	3%	2%			

Number of Model Year Cars Sold

	1989 All U.S. Fleets
U.S. Commercial Fleets	
1985 Model Year	
1986 Model Year	12,260
1987 Model Year	10,406
1988 Model Year	5,533
U.S. Government Fleets	
1985 Model Year	
1986 Model Year	2,240
1987 Model Year	1,847
1988 Model Year	1,929
U.S. Public Utilities Fleets	
1985 Model Year	
1986 Model Year	260
1987 Model Year	186
1988 Model Year	139

Average Age of Vehicles Sold

Months	
U.S. Commercial Fleets	32.0
U.S. Government Fleets	50.0
U.S. Public Utilities Fleets	72.5
Miles	
U.S. Commercial Fleets	60,000
U.S. Government Fleets	75,000
U.S. Public Utilities Fleets	85,000

Selling Methods
Number of Cars Sold in Each Category

	1988	1989
U.S. Commercial Fleets		
Wholesaler/Auto Auction	28,800	10,889
Employee	14,449	5,614
Used Car Dealer	2,783	515
New Car Dealer (Trade-In)	2,336	1,172
Salvage/Other	4,429	1,081
U.S. Government Fleets		
Wholesaler/Auto Auction	9,363	1,570
Employee	28	8
Used Car Dealer	290	0
New Car Dealer (Trade-In)	73	5
Salvage/Other	9,137	1,858
U.S. Public Utilities Fleets		
Wholesaler/Auto Auction	2,996	1,612
Employee	172	242
Used Car Dealer	1,401	137
New Car Dealer (Trade-In)	28	12
Salvage/Other	214	238

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NAFA/AFLA SHOW ISSUE
Agendas/Exhibitor Listing

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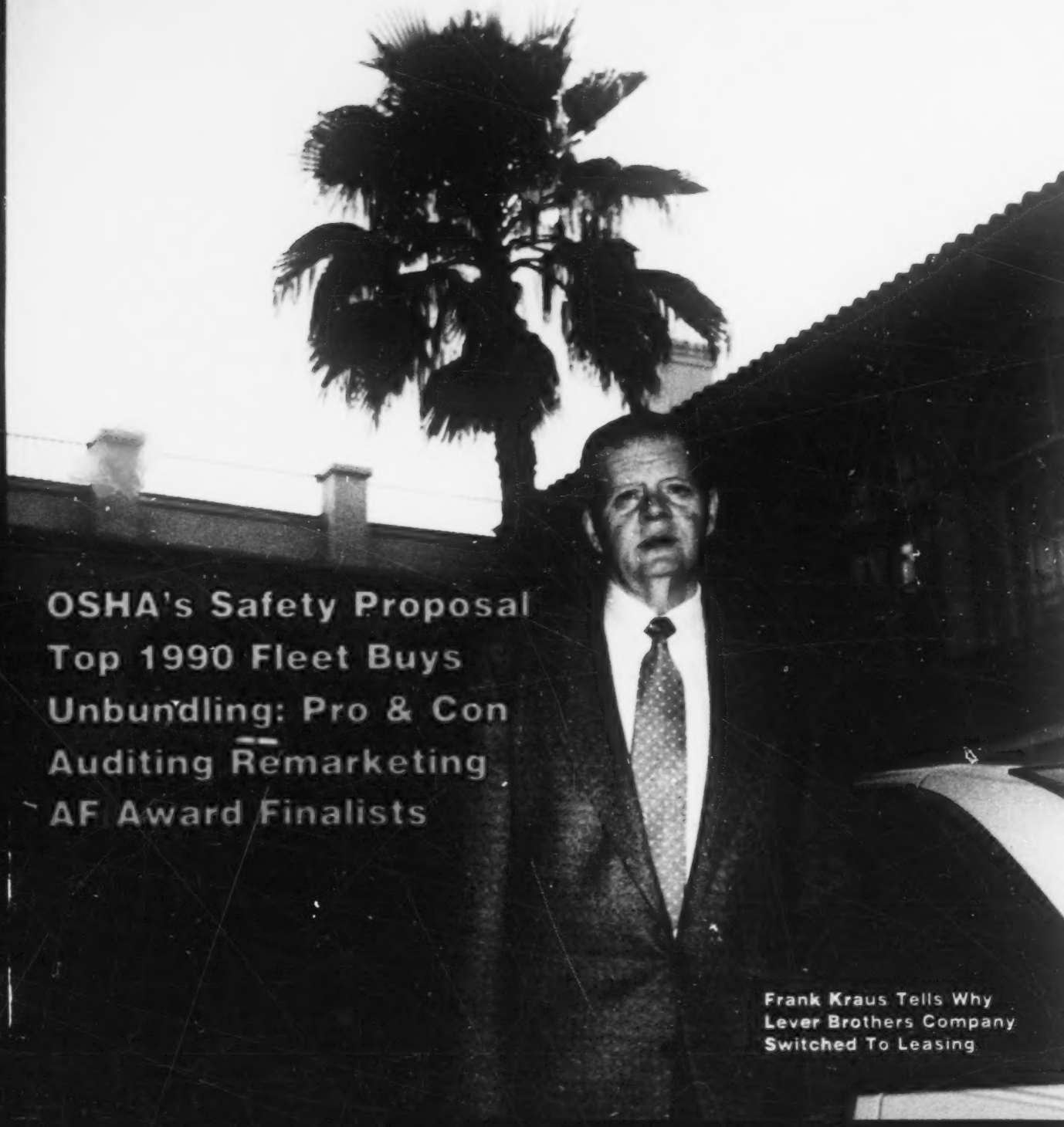
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



OSHA's Safety Proposal
Top 1990 Fleet Buys
Unbundling: Pro & Con
Auditing Remarketing
AF Award Finalists

Frank Kraus Tells Why
Lever Brothers Company
Switched To Leasing

automotive
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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

APRIL 1990
VOL. 29, NO. 6

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.

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Chrysler Fleet Operations

Presents the Second Annual

automotive FLEET

SECOND

Top 2nd 100

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
101	123	Nationwide Ins. Columbus, OH	Gail Royer		Wheels	2180	20	2200
102	—	McKesson Corporation San Francisco, CA	Martin Ward	x		1100	1075	2175
103	124	Rockwell Int.Corp. Pittsburgh, PA	Gary Galiano		So Gate Lsg.,	1950	200	2150
104	—	Gulf & Western Madison, WI	John W. Simon	x	Associates	2100	50	2150
105	—	Montgomery Ward Co. Chicago, IL	Roseann Neveitt		GEC Fleet PHH	228	1916	2144
106	—	Eli Lilly & Co. Indianapolis, IN	Vic Hasler	x	Wheels	1930	213	2143
107	125	Weyth Ayerst Corp. Radnor, PA	Colleen Quinn		Wheels	2040	100	2140
108	—	Ingersoll Rand Piscataway, NJ	Patricia Pearsall		Wheels	1480	640	2120
109	—	Continental Insurance Cranbury, NJ	Jean Marie Albrecht	x	PHH	2100	15	2115
110	—	Baxter Healthcare Corp. Deerfield, IL	Patrick Sheehan		GEC Fleet Wheels	2100	—	2100
111	—	USG Corp. Chicago, IL	Mary Sabathne		ARI, Donlen	1200	900	2100
112	—	Avon Products, Inc. New York, NY	Maxine Sullivan		GEC Fleet	2000	60	2060
113	130	Fleming Companies Oklahoma City, OK	Wayne Lankford		U.S. Fleet	1427	589	2016
114	129	Flowers Industries Thomasville, GA	Mark Worthey	x		—	2000	2000
115	—	Control Data Corp. Minneapolis, MN	Kathleen Wester		McCullagh	1800	200	2000
116	—	FMC Corp. Chicago, IL	Lawrence Dakof	x	GEC Fleet	1000	1000	2000
117	127	James River Corp. Richmond, VA	Rita Stokes		ARI, PHH, Associates	2000	0	2000
118	128	Gannett Supply Corp. Arlington, VA	Suzanne Spangenberg	x		1500	500	2000

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
119	—	Shaklee Corporation San Francisco, CA	Janice Williamson		In-house	1850	150	2000
120	—	Economics Laboratory St. Paul, MN	Jerry Rodewald		GEC Fleet	2000	0	2000
121	—	Pony Express Corp. Charlotte, NC	William J. Glasheen		TransAmerica Finance	89	1867	1956
122	—	Brown & Williamson Louisville, KY	Charles Cooley	x		625	1302	1927
123	—	USF & G Insurance Baltimore, MD	James Meyers	x		1864	12	1876
124	—	Brown & Root, Inc. Houston, TX	Roger Ivey	x		596	1266	1862
125	—	Electronic Data Systems Richardson, TX	Rich Piper	x		1018	816	1834
126	133	Combustion Engineering Inc. Windsor, CT	Donald LePard		ARI McCullagh	800	1000	1800
127	134	Automatic Data Proc. Roseland, NJ	Mike Sankowitch		GEC Fleet	1550	250	1800
128	—	Stroehmann Bakeries Williamsport, PA	Paul M. Gossard		PHH	190	1600	1790
129	—	Liberty Mutual Ins. Boston, MA	Barbara Feinburg	x		1689	74	1763
130	—	Bank of America Concord, CA	Dave Olson	x		747	990	1737
131	—	Sandoz Pharm. E. Hanover, NJ	Barbara Eutsler		Wheels, Emkay, Inc.	1725	10	1735
132	—	E.R. Squibb & Sons, Inc. Plainsboro, NJ	Tony Sacco		PHH	1693	41	1734
133	—	General Mills Minneapolis, MN	Henry Paetzel	x		1496	230	1726
134	139	Eaton Corporation Cleveland, OH	Robert J. Wagner		LMV, GEC Fleet	1312	408	1720
135	—	GAB Business Services Parsippany, NJ	G.J. Keenan		PHH, GEC Fleet	1712	8	1720
136	—	NCR Corporation Miamisburg, OH	Ann Mangen		PHH Wheels	730	990	1720
137	142	Johnson & Johnson New Brunswick, NJ	Joyce Donini		PHH	1500	200	1700
138	—	Philips Medical Systems Shelton, CT	Rose Klevozich		PHH	1400	300	1700
139	144	Roche Biomed labs Burlington, NC	Jane Crabble		Wheels, Inc.	1589	81	1670

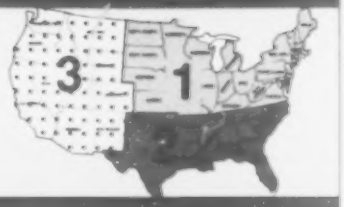
'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
140	—	Simplex Time Gardner, MA	Jerry Albertini		Wheels, Inc.	1009	623	1632
141	137	Schering-Plough Cranford, NJ	Robert Keckeissen		PHH	1500	125	1625
142	138	Allstate Insurance Co. Northbrook, IL	Donald Gorr	x		1489	132	1621
143	146	Lorillard Inc. New York, NY	Sal J. Giacchi		PHH, GEC & Wheels	495	1125	1620
144	140	Airborne Freight Corp. Seattle, WA	Martin Langley	x		412	1200	1612
145	—	Bridgestone/Firestone Chicago, IL	Mel Martin	x		600	1000	1600
146	143	Firestone, Inc. Chicago, IL	Mel Martin		GEC Fleet	600	1000	1600
147	—	Wickes Companies Irvine, CA	Terry Flesia		Associates, Lease Plan USA	1098	486	1584
148	—	Hallmark Cards, Inc. Kansas City, MO	Debbie Mize	x		1500	75	1575
149	145	Household Finance Corp. Prospect Heights, IL	Mary Kowalski	x		1550	25	1575
150	148	Fireman's Fund Novato, CA	Sylvia Jones	x		1517	13	1530
151	147	Texaco, Western Los Angeles, CA	Ray Takai		PHH	760	770	1530
152	149	Hobart Corporation Troy, OH	Mike Welty		GEC Fleet, Wheels	507	996	1503
153	151	Alexander & Alexander Owings Mill, MD	Rich Wetzel	x		1500	—	1500
154	160	Moore Business Forms Glenview, IL	Chuck Blaise		ARI, Lend Lease	1500	—	1500
155	—	Leggs Products, Inc. Winston Salem, NC	Andy Collins		PHH	150	1350	1500
156	171	Emerson Electric Co. St. Louis, MO	R.D. White		GEC Fleet, Enterprise, ARI	1193	306	1499
157	154	Wausau Insurance Wausau, WI	Robert Rakow		GE Capital, US Fleet	1455	15	1470
158	150	American Greetings Cleveland, OH	Gene Lusnek		LMV, PHH	1400	50	1450
159	152	Miles Laboratories, Inc. Elkhart, IN	Debbie Bailey		Wheels	1347	94	1441
160	153	Bell & Howell Skokie, IL	Mike Winfield		Wheels	1400	40	1440

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
161	—	Ciba-Geigy Pharm. Summit, NJ	Barbara Bell		PHH	1285	150	1435
162	155	Alco Standard Valley Forge, PA	Jean Festa		Wheels	1036	375	1411
163	166	American Int'l Realty Manchester, NH	E. Rogers	x		1395	9	1404
164	157	Campbell Sales Co. Camden, NJ	Charles Schnerr	—	ARI, Wheels	1310	90	1400
165	195	National Linen Service Atlanta, GA	Tom Spight	x		296	1083	1379
166	158	Kemper Insurance Co. Long Grove, IL	Mary Leclair	x		1365	12	1377
167	159	United Cable Television Denver, CO	Richard Belkie	x		270	1100	1370
168	131	Union Electric Co. St. Louis, MO	Walt Caesar	x		225	1100	1355
169	184	Syntex Laboratories, Inc. Palo Alto, CA	Robert Schlossareck		ARI, Wheels	1222	124	1346
170	162	Union Oil Co. of Calif. Los Angeles, CA	Ken Ogata	x		1300	—	1300
171	164	Picker Corp. Highland Heights, OH	Betty Strader	x		1249	50	1299
172	167	Tektronic, Inc. Beaverton, OH	Johnnie Schumauder	x		1078	174	1252
173	169	K-Mart Corp. Troy, MI	Jim Wright	x		1160	72	1232
174	170	The Quaker Oats Co. Barrington, IL	Linda Teetmeyer		LMV	1170	50	1220
175	—	Intracorp Berwyn, PA	Pat Kays		PHH	1200	—	1200
176	172	Weyerhauser Co. Tacoma, WA	Donna McKivor		Nickerson	800	400	1200
177	177	Babcock-Wilcox Barbertown, OH	Glenn Westover	x		800	400	1200
178	175	International Rehab. Wayne, PA	Pat Kays	x		1200	—	1200
179	176	Chemlawn Corp. Columbia, OH	Jim Hughes	x		200	1000	1200
180	173	Nestle Foods Corp. Purchase, NY	John Stellabotte	x		1150	50	1200
181	—	American Cyanamid Wayne, NJ	Robert Defeo		ARI, PH&H & Wheels	1200	—	1200

'90 Rank	'89 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
182	174	Lederle Labs Wayne, NJ	Nora Tanis		ARI	1200	—	1200
183	178	Siemens Informa. Sys. Boca Raton, FL	Robert Morris		ARI, MAL	225	950	1175
184	180	Ohio Casualty Ins. Hamilton, OH	G. Michael Ulreich	x		1167	4	1171
185	179	Land O'Lakes, Inc. Minneapolis, MN	Bruce Charon		Farmcredit, GEC Fleet	801	357	1158
186	182	Nalco Chemical Co. Naperville, IL	Yvonne Bonahoom		PHH	900	250	1150
187	183	Anheuser-Busch Co., Inc. St. Louis, MO	Harold Kessel	x		1150	—	1150
188	181	Thomas J. Lipton, Inc. Englewood Cliffs, NJ	George Maheu		GEC Fleet	1125	25	1150
189	189	American Family Mutual Ins. Co. Madison, WI	Gray Perrett	x		1096	32	1128
190	186	CNA Insurance Chicago, IL	David Gisselman	x		1100	—	1100
191	163	Reliance Electric Co. Cleveland, OH	Phil Tedeschi		GE Capital & PHH	750	350	1100
192	163	St. Paul Fire & Marine Insurance Co. St. Paul, MN	Paul King		GEC Fleet	1082	5	1087
193	187	Oxy USA, Inc. Tulsa, OK	Jeffers Bill		Wheels, Inc.	175	881	1056
194	188	Perkin Elmer Corp. Norwalk, CT	Dick Fisher		GE, PHH	650	400	1050
195	190	Beckman Instru. Fullerton, CA	Carol Homer	x		270	780	1050
196	—	Figgie International, Inc. Glen Allen, VA	R.A. Cavalli		Figgie Leasing	600	450	1050
197	191	S.C. Johnson & Sons Racine, WI	Karen Fries	x		1000	40	1040
198	192	Parker-Hannifin Corp. Cleveland, OH	Leona Latini		GEC Fleet McCullagh	900	130	1030
199	185	TRW/CSD Fairfield, NJ	Carol Mitchell		USFL	950	1	951
200	—	Pinkerton Security Van Nuys, CA	Andrew Eichner		USFL	679	221	900
		TOTALS				114,053	41,613	155,666

USED CARS

The following are average used-car prices for the period ending Mar. 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	Zone 1	Zone 2	Zone 3
88 BUICK SKYHAWK			
Coupe	5,448	5,501	5,338
Sedan	5,524	5,578	5,416
87 BUICK SKYHAWK			
Cust Coupe	4,452	4,494	4,362
Cust Sedan	4,521	4,566	4,429
88 BUICK SKYLARK			
Cust Sedan	6,524	6,591	6,395
87 BUICK SKYLARK			
Cust Sedan	5,475	5,530	5,366
88 BUICK CENTURY			
Cust Sedan	6,557	6,626	6,428
87 BUICK CENTURY			
Cust Sedan	5,456	5,511	5,347
88 BUICK LESABRE			
Cust Sedan	8,503	8,588	8,335
87 BUICK LESABRE			
Cust Sedan	7,125	7,198	6,984
88 CADILLAC DE VILLE			
Coupe	13,899	14,037	13,619
Sedan	14,061	14,202	13,780
87 CADILLAC DE VILLE			
Coupe	11,290	11,405	11,067
Sedan	11,430	11,546	11,201
88 CADILLAC SEVILLE			
Sedan	14,891	15,040	14,594
87 CADILLAC SEVILLE			
Sedan	12,396	12,521	12,150
88 CHEVY BERETTA			
Coupe	6,263	6,324	6,139
88 CHEVY CORSICA			
Sedan	5,881	5,943	5,767
87 CHEVY BERETTA			
Coupe	4,989	5,039	4,890
87 CHEVY CORSICA			
Sedan	4,600	4,648	4,509
88 CHEVY CAVALIER			
Sedan	5,325	5,379	5,219
87 CHEVY CAVALIER			
Sedan	4,055	4,096	3,976
88 CHEVY CELEBRITY			
Sedan	6,117	6,179	5,995
87 CHEVY CELEBRITY			
Sedan	4,898	4,948	4,802
88 CHEVY CAPRICE			
Sedan	6,944	7,013	6,806
87 CHEVY CAPRICE			
Sedan	5,631	5,685	5,515
88 CHRYSLER NEW YORKER			
Sedan	9,893	9,992	9,695
88 CHRYSLER FIFTH AVENUE			
Sedan	9,684	9,781	9,492
87 CHRYSLER FIFTH AVENUE			
Sedan	7,630	7,705	7,476
88 DODGE ARIES AMERICA			
Sedan	4,819	4,865	4,723
87 DODGE ARIES			
Sedan	3,867	3,906	3,789
88 DODGE SHADOW			
Liftbk 5 Dr	5,161	5,214	5,060
87 DODGE SHADOW			
Liftbk 4 Dr	4,243	4,286	4,158
88 DODGE DYNASTY			
Sedan	7,782	7,860	7,626
88 FORD ESCORT			
Htchbk 4 Dr GL	4,358	4,402	4,271
87 FORD ESCORT			
Htchbk 4 Dr GL	3,435	3,470	3,367
88 FORD MUSTANG			
LX 4 Coupe	5,931	5,992	5,812
87 FORD MUSTANG			
LX 4 Coupe	4,836	4,884	4,740
88 FORD TEMPO			
GL Sedan 4 Dr	5,288	5,342	5,181
87 FORD TEMPO			
GL Sedan 4 Dr	4,206	4,250	4,123
88 FORD TAURUS			
GL Sedan 4 Dr	6,918	6,987	6,779
87 FORD TAURUS			
GL Sedan 4 Dr	5,702	5,759	5,589
88 FORD CROWN VICTORIA			
Sedan	9,088	9,179	8,907
87 FORD CROWN VICTORIA			
Sedan	7,566	7,642	7,414
88 LINCOLN			
Town Car Sedan	13,827	13,967	13,549
Mark VII Coupe	15,360	15,511	15,051
Continental Sedan	17,008	17,176	16,668
87 LINCOLN			
Town Car Sedan	11,584	11,697	11,351
Mark VII Coupe	12,346	12,470	12,100
Continental Sedan	12,495	12,621	12,246
88 MAZDA 626			
LX Sedan 4 Dr	8,198	8,279	8,035
88 MERCURY COUGAR			
LS Coupe	8,446	8,530	8,276
87 MERCURY COUGAR			
LS Coupe	6,996	7,066	6,855
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,374	5,426	5,264
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,215	4,259	4,132
88 MERCURY SABLE			
GS Sedan	7,009	7,077	6,867
87 MERCURY SABLE			
GS Sedan	5,724	5,784	5,611
88 MERCURY GRAND MARQUIS			
Sedan	9,653	9,750	9,461
87 MERCURY GRAND MARQUIS			
Sedan	8,171	8,251	8,007
88 MITSUBISHI			
Mirage Sedan	4,381	4,425	4,293
87 MITSUBISHI			
Mirage Sedan	3,213	3,245	3,149
88 NISSAN SENTRA			
Sedan 2 Dr	4,315	4,358	4,229
88 NISSAN STANZA			
E Ntch 4 Dr	6,969	7,039	6,830
88 NISSAN MAXIMA			
SE Sedan	10,853	10,962	10,635
87 NISSAN SENTRA			
Sedan 2 Dr	3,531	3,566	3,461
87 NISSAN STANZA			
E Ntch 4 Dr	5,600	5,656	5,488
87 NISSAN MAXIMA			
SE Sedan	8,431	8,517	8,262
88 OLDS CALAIS			
Sedan	6,451	6,514	6,323
87 OLDS CALAIS			
Sedan	5,482	5,537	5,372
88 OLDS CIERA			
Coupe	6,487	6,552	6,359
Sedan	6,557	6,626	6,428
87 OLDS CIERA			
S Coupe	5,443	5,495	5,333
Sedan	5,504	5,561	5,395
88 OLDS CUTLASS SUPREME			
Coupe	7,526	7,603	7,377
87 OLDS CUTLASS SUPREME			
Coupe	6,347	6,412	6,221
Sedan	6,347	6,412	6,221
88 OLDS 98 REGENCY			
Sedan	10,044	10,142	9,841
87 OLDS 98 REGENCY			
Sedan	8,351	8,434	8,183
88 PLYMOUTH RELIANT			
Sedan	4,843	4,891	4,749
87 PLYMOUTH RELIANT			
Sedan	3,885	3,923	3,810
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,157	5,210	5,056
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,225	4,267	4,139
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,304	5,358	5,197
88 PONTIAC SUNBIRD			
SE Coupe	5,430	5,485	5,321
Sedan	5,503	5,557	5,394
87 PONTIAC SUNBIRD			
SE Coupe	4,290	4,334	4,205
Sedan	4,225	4,267	4,140
88 PONTIAC 6000			
Coupe	6,186	6,248	6,063
Sedan	6,255	6,317	6,128
87 PONTIAC 6000			
Coupe	5,011	5,060	4,910
Sedan	5,068	5,120	4,969
88 PONTIAC GRAND AM			
Sedan	6,439	6,503	6,308
87 PONTIAC GRAND AM			
Sedan	5,698	5,755	5,585
88 PONTIAC BONNEVILLE			
Sedan	8,491	8,577	8,323
87 PONTIAC BONNEVILLE			
Sedan	7,169	7,240	7,026
88 PONTIAC GRAND PRIX			
Coupe	8,796	8,884	8,620
87 PONTIAC GRAND PRIX			
Coupe	6,467	6,532	6,338
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,348	6,412	6,221
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,403	8,485	8,235
88 TOYOTA CRESSIDA			
Lux Sedan	12,871	12,999	12,614
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	4,968	5,018	4,869
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,204	7,275	7,059
87 TOYOTA CRESSIDA			
Lux Sedan	10,694	10,802	10,481
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,720	6,787	6,586
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,450	5,505	5,341
88 VOLVO			
240 DL Sedan	11,783	11,900	11,547
87 VOLVO			
240 DL Sedan	9,669	9,766	9,476

CALENDAR

APRIL

19-21–National Truck Equipment Association Annual Convention, Washington Convention Center, Washington, D.C. Information: (800) 321-1988.

19-21–Automotive Fleet & Leasing Association's 22nd Annual Conference, J.W. Marriott, Houston, TX. Information: (213) 376-8788.

21–National Association of Fleet Resale Dealers Spring Convention, J.W. Marriott, Houston, TX. Information: (213) 838-3168.

22-25–National Association of Fleet Administrators' Annual Convention, Westin Hotel, Houston, TX. Information: (201) 494-8100.

24-26–New Jersey State Safety Council, Safety Expo, Trump Council, Atlantic City, NJ. Information: (201) 272-7712.

MAY

8-13–National Vehicle Leasing Association Annual Convention, Ramada Renaissance, Washington, D.C. Information: (213) 838-3170.

8-11–Thrifty Licensee Meeting, The Swan-Walt Disney World, Orlando, FL. Information: (918) 665-3930.

15-17–National Car Rental Convention, Contemporary Hotel-Walt Disney World, Orlando, FL. Information: (612) 830-2548.

20-23–National Cable Television Association Conference, Georgia World Congress Center, Atlanta, GA. Information: (202) 463-7905.

JUNE

10-13–Electric Utilities Fleet Managers Show, Williamsburg Lodge & Conference Center, Williamsburg, VA.

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GAS PRICES

City	UNLEADED Cost Per Gallon Unleaded Full-Serve	 Self-Serve
Mobile, AL	136.2¢	101.2¢
Sacramento, CA	154.9	104.9
Glenwood Springs, CO	143.9	124.4
Hartford, CT	138.9	113.9
Washington, D.C.	146.5	111.7
Orlando, FL	133.6	108.6
Augusta, GA	135.4	93.7
Chicago, IL	160.3	117.0
Baton Rouge, LA	153.9	110.9
Rochester, MN	149.9	108.9
Kansas City, MO	125.2	87.5
Omaha, NE	146.9	109.2
Santa Fe, NM	131.4	105.9
Oil City, PA	103.4	95.4
Houston, TX	143.5	99.8

The average U.S. full-serve gasoline price for the month of March was 127.7 cents per gallon.
The average U.S. self-serve gasoline price for the month of March was 105.1 cents per gallon.
Surveys conducted during the first five working days of March 1990.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

C1575-2

may 1990

Automotive Fleet

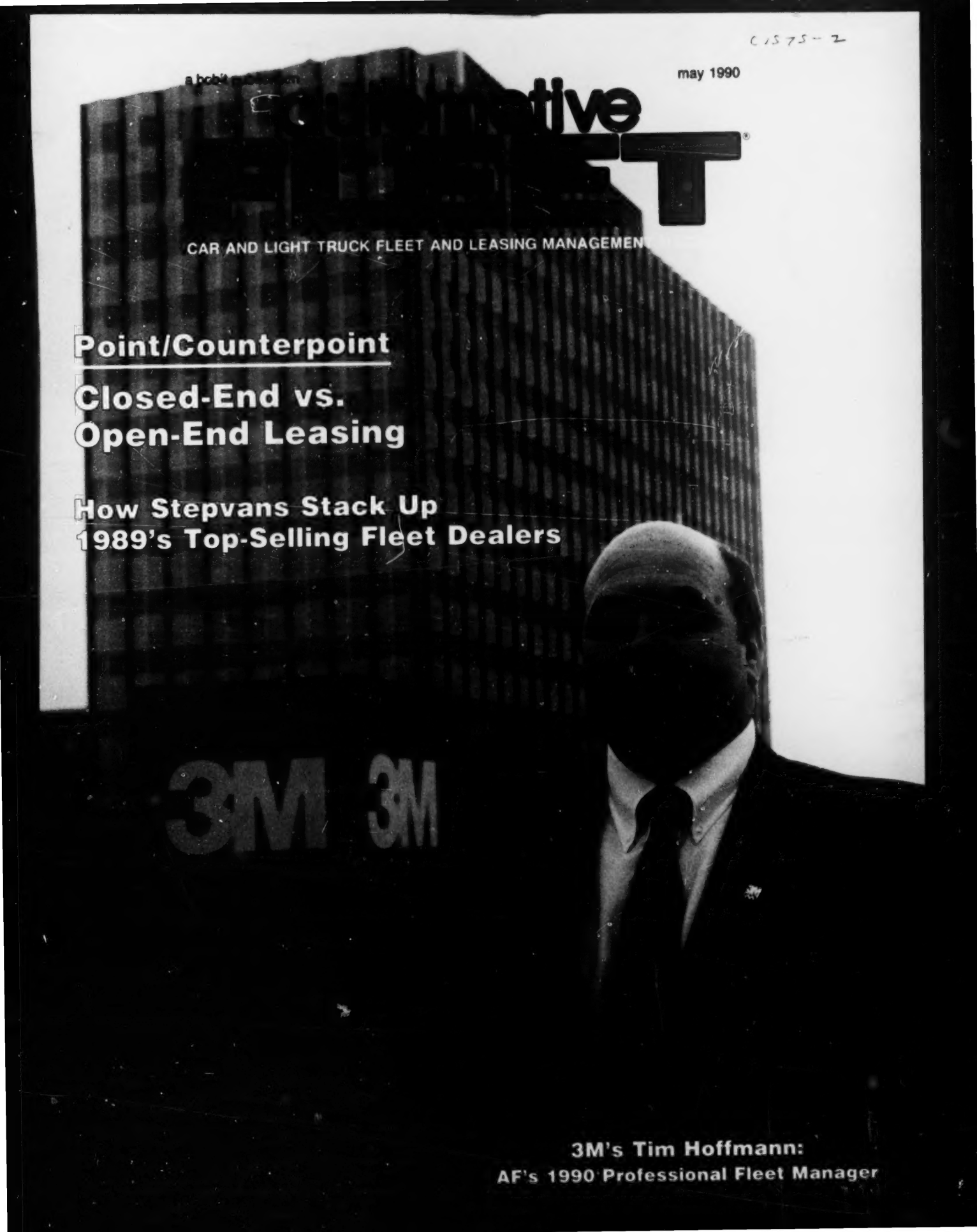
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT

Point/Counterpoint

Closed-End vs. Open-End Leasing

How Stepvans Stack Up

1989's Top-Selling Fleet Dealers



3M's Tim Hoffmann:
AF's 1990 Professional Fleet Manager

automotive
FLEET®

BOBIT PUBLISHING

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

May 1990
VOL. 29, NO. 7

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

At Lease Inception	
Capitalized Cost:	$1
Depreciation Rate:	
Depreciation Per Month:	
Months in Service	

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On the cover: 3M's Tim Hoffmann, 1990's Professional Fleet Manager Award recipient, stands before 3M Center, the corporation's St. Paul, MN-based headquarters. Our story begins on page 26.

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1989's Top 10 Fleet Dealers By Franchise

The top three dealers from each of the major fleet makes are honored by AF every year at the AFLA spring convention. Listed below are the top 10 fleet dealers for each franchise. Among these dealers, fleet sales were up 9.3 percent.

For the third consecutive year, Ed Morse Chevrolet of Ft. Lauderdale, FL, has earned the honor of being the nation's top fleet dealer, based on 1989 calendar year sales figures of 35,489 vehicles sold.

The Morse dealership was one of 48 fleet dealers which were recipients last month of the 1990 Fleet Dealer Award. Presented annually by *Automotive Fleet*, the award recognizes them as being among the top three selling fleet dealers within their franchise organization. Their ranking is based on 1989 calendar year fleet sales figures.

Automotive Fleet conducted this year's ceremony on Apr. 21, 1990, at the J.W. Marriott Hotel on the closing day of the 22nd Annual Automotive Fleet & Leasing Association spring meeting and convention in Houston, TX. Plaques were presented to the top three winners from each of the major fleet lines.

Ed Morse Chevrolet earned this year's number one spot by narrowly nudging out second place Jordan Ford of Mishawaka, IN, (35,405) by a mere 84 sales. Third place was won by Precision Chrysler/Plymouth of Tampa, FL, with fleet sales totaling 21,312. Fourth place was awarded to another Chevrolet dealer, Prospect Motors of Jackson, CA, which recorded 18,530 fleet vehicles sold in 1989.

Ranked below by sales volume are the top 10 fleet dealers for each franchise. Altogether, these 160 dealers had a combined sales total of 657,417 units — up 9.3 percent from last year's (1988) sales total of 614,167 vehicles. AF

1990 FLEET DEALER AWARDS

(For sales occurring in the 1989 calendar year)

Buick	Dewey Hibbin	Lupient Buick, Inc.	Minneapolis, MN	4,741
	Steve McGregor	Wilkins Buick, Inc.	Glen Burnie, MD	4,208
	Ken Carlson	Orange Buick-GMC Truck Co.	Orlando, FL	4,127
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	3,528
	Harold Schaudnecker	Loren Buick, Inc.	Glenview, IL	2,819
	Naomi Berndt	Grant Dean Buick, Inc.	Highland Park, IL	2,588
	Marianne Ducharme	William Lehman Buick, Inc.	Miami, FL	2,585
	Perry Pimentel	Merced, Inc., (DBA Ron Smith Buick AMC)	Merced, CA	2,255
	Bill Macaione	Bob Brest Buick, Inc.	Lynn, MA	1,799
	Tommy Austin	Edenton Motors, Inc.	Edenton, NC	1,784
Cadillac	Jack Evans	Bayview Cadillac	Ft. Lauderdale, FL	7,520
	Phil Davis	Polkowitz Motors Ltd.	Perth Amboy, NJ	6,226
	Lori Kressin	Long Cadillac	Roseville, MN	4,196
	Manuel Escoto	Prospect Motors	Jackson, CA	3,099
	Judy Smith	Martin Cadillac	Los Angeles, CA	1,464
	Anita Davis	Rodger Meier Cadillac	Dallas, TX	1,226
	Meri Huskey	Roger Penske Cadillac	Downey, CA	1,180
	Rich Grosse	Nesen Cadillac	Thousand Oaks, CA	1,098
	Nate Sheinbloom	Cashman Cadillac	Las Vegas, NV	733
	Wolf Tuteur	Ricken Baugh Cadillac	Denver, CO	660
Chevrolet	Jack Evans	Ed Morse Chevrolet	Lauderhill, FL	35,489
	Manuel Escoto	Prospect Motors	Jackson, CA	18,530
	Tom George	Delorme Chevrolet	Inglewood, CA	11,453
	Bill Macaione	Bob Brest Chevrolet	Lynn, MA	8,884
	Scott Yassinger	Z. Frank Chevrolet	Chicago, IL	8,674
	Renee Openshaw	Bast Chevrolet	Seafood, NY	7,262

1990 FLEET DEALER AWARDS

Chevrolet (Continued)	Larry Angeles	Harold Chevrolet	Bloomington, MN	6,855
	Jim Franseth	Povey Chevrolet	Red Bluff, CA	6,417
	Jim Rosenberg	D.W. Chevrolet	Morristown, NJ	5,166
	Bill Wink	Wink Chevrolet	Dearborn, MI	5,026
Oldsmobile	Mark Rosenstock	Dale Oldsmobile	Bronx, NY	9,379
	Dewey Hibben	Jim Lupient Oldsmobile	Golden Valley, MN	9,157
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	6,992
	Rick Cusick	Fountain Oldsmobile	Orlando, FL	3,956
	George Steinbock	Anderson Oldsmobile	Baltimore, MD	3,327
	Don Fenton	Larry Faul Oldsmobile	Schaumburg, IL	3,195
	Dan Moss	Z. Frank Oldsmobile	Des Plaines, IL	2,896
	Karen Hannon	Henry Faulkner Oldsmobile	Philadelphia, PA	2,496
	Mark Smith	Sam White Oldsmobile	Houston, TX	2,345
	Bobbie Rucker	Browning Oldsmobile	Cerritos, CA	2,126
Pontiac	Donna Jahazzo	Stephen Pontiac-Cadillac, Inc.	Bristol, CT	13,928
	Bud Morrison	J.M. Pontiac, Inc.	Hollywood,FL	13,507
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	11,960
	Ron Ellis	Rudy Luther's Pontiac-GMC	Minneapolis, MN	8,498
	Hanley Dawson III	Patrick Pontiac-GMC Truck	Libertyville, IL	7,213
	Walt Kozak	Penn Pontiac, Inc.	Baltimore, MD	3,751
	Mark E. Rosenstock	Dale Olds-Pontiac-Jeep-Eagle	Bronx, NY	3,699
	Nick Monteleone	John Wiesner, Inc.	Conroe, TX	3,525
	Paul R. Rubin	Wally McCarthy's Pontiac-GMC	White Bear Lake, MN	2,713
	Frank Zamos	Dave Gill Pontiac-GMC Truck	Columbus, OH	2,686
Ford	Craig Capson	Jordan Ford	Mishawaka, IN	35,405
	Ted Daniel	McInerney Ford	Orlando, FL	16,596
	Milo Matick	Al Piemonte Ford	Melrose Park, IL	16,028
	James O'Neal, Jr.	Fairway Ford	La Trobe, PA	11,732
	Ken Ferrari	Highland Park Ford	Highland Park, IL	11,336
	Bob Karlin	Santa Monica Ford	Santa Monica, CA	9,988
	Aldo A. Fontana	S&C Motors, Inc.	San Francisco, CA	9,982
	Joe David	Pacifico Ford	Philadelphia, PA	9,906
	Harold Beaune	Lutz Ford	Palo Alto, CA	8,110
	Angel Shollenberger	Friendly Ford	North Miami Beach, FL	4,869
Lincoln/Mercury	Ronnie Howe	Libertyville L-M	Libertyville, IL	13,025
	Mike Lister	Island L-M	Merritt Island, FL	7,665
	Bob Culbertson	Marty Franich L-M	Watsonville, CA	7,125
	Kathy Patrick	Arnold Palmer L-M	Bluffton, SC	5,146
	Jeannie Kerner	O' Connor L-M	Los Angeles, CA	4,979
	Steve Machann	River Oaks L-M	Houston, TX	2,610
	Charles Blackwood	George Grubbs L-M	Dallas, TX	2,516
	Bill Schreirer	Stanford L-M	Menlo Park, CA	2,410
	Bill Baker	Pugmire L-M	Marietta, GA	2,262
	Al Brooks	Northgate L-M	Tampa, FL	2,136
Chrysler/Plymouth	Jerry Ulm	Precision C/P	Tampa, FL	21,312
	Jack Evans	Hollywood C/P	Hollywood, FL	8,690
	Manuel Escoto	Amador Motors	Sutter Creek, CA	7,789
	Ronald C. Pope	Russ Darrow Waukesha, Inc.	Waukesha, WI	6,045
	Charles Zajac	Weir Auto Sales, Inc.	Raynham, MA	4,763
	Luke Reif	Glavic C/P, Inc.	Parma, OH	3,749
	Jim Wallace	Galeana C/P, Inc.	Ft. Myers, FL	2,852
	George Moser	Dayton Andrews C/P, Inc.	Clearwater, FL	2,836
	Bob Haller	Bloomington C/P, Inc.	Bloomington, MN	2,696
	Daryl Draper	Johnny's County Motor Sales	Oaklyn, NY	1,532
Dodge	Gene Hall	Luke Potter Dodge, Inc.	Winter Park, FL	17,828
	Dottie Fitzgerald	Colonial Dodge, Inc.	Kensington, MD	13,594

1990 FLEET DEALER AWARDS

Dodge (Continued)	Steve Leach	Forest Lake C/P/D	Forest Lake, MN	9,439
	Stan Smith	Del Amo Dodge	Torrance, CA	5,511
	Dewey Hibben	Bothun Dodge, Inc.	Eau Claire, WI	3,960
	Dean Linde	Gulf Freeway Motors	Houston, TX	2,107
	John Tomlinson	Dadeland Dodge, Inc.	Miami, FL	1,629
	Gene Kissinger	Dodge City-Tomball, Inc.	Tomball, TX	1,530
	Robert Haller	White Bear Dodge, Inc.	White Bear, MN	1,454
	Paul Whitehead	Cal Worthington Dodge	Huntington Beach, CA	1,454
Jeep/Eagle	Steve Leach	Southview Jeep/Eagle	Inver Grove Heights, MN	816
	Ginger Bower	South Bay Jeep/Eagle	Torrance, CA	615
	Don Ziminsk	Broadway Jeep/Eagle	Littleton, CO	372
	Andy Choo	Courtesy Jeep/Eagle	Honolulu, HI	301
	Ron Sayer	Ron Sayer, Inc.	Idaho Falls, ID	271
	Jim Picoli	Potamkin Jeep/Eagle	Philadelphia, PA	269
	Mike Bridges	Liberty Jeep/Eagle	Libertyville, IL	263
	Randy Sporn	Westbury Jeep/Eagle	Westbury, NY	255
	Marlene Strand	Dale Jeep/Eagle	Bronx, NY	248
	Gary Grim	Roswell Jeep/Eagle, Inc.	Roswell, GA	227
Isuzu	Rick Cusick	Fountain Isuzu	Orlando, FL	794
	William King	Superior Isuzu	Gretna, LA	394
	Larry Bartleman	Fresno Isuzu	Fresno, CA	259
	Mark Smith	Sam White Isuzu	Houston, TX	258
	Jeff Auge	Walser Isuzu	Richfield, MN	234
	Dave Beaumont	Tom Endicott	Pompano Beach, FL	170
	Don Braswell	Royal Isuzu	Tampa, FL	149
	Charles Masters	Woodfin-Smith	Baton Rouge, LA	112
	Terry Boult	Fletcher Jones	Las Vegas, NV	99
	Don Fuerst	Cournoyer Isuzu	Houma, LA	96
Nissan	Dennis Hecker	Northtown Nissan	Fridley, MN	5,611
	Carmen Koosa	Nissan of Downey, Inc.	Downey, CA	2,684
	Bob Brest	Bob Brest Nissan	Lynn, MA	2,257
	Tim Valles	West Covina Nissan	West Covina, CA	1,649
	Pete Balsley	Turner Nissan	Sacramento, CA	1,591
	John Hynansky	Winner Nissan of Newark	Newark, DE	1,426
	Arthur Kelly	Kelly-Kean Nissan, Inc.	Oak Lawn, IL	1,321
	Joseph Williamson	Action Nissan, Inc.	Kissimmee, FL	1,261
	Bill Stamps	Colonial Nissan	Feasterville, PA	1,038
	John Williams	ABC Nissan	Phoenix, AZ	970
Mazda	Howard Blakeney	Frank Bommarito Mazda	Ellisville, MO	1,004
	Matt Migdal	Delray Mazda	Delray Beach, FL	578
	Lou Verrengia	Puente Hills Mazda	City of Industry, CA	523
	Eddie Harris	Dennis Mazda	Olathe, KS	322
	Doug Engle	Don Darr Mazda	St. Louis, MO	250
	Glenn Lamathe	Patriot Motors, Inc.	Keene, NH	241
	Bill Britt	Bill Britt Motors	Fredericksburg, VA	220
	Lamar Ripley	Livermore Mazda	Livermore, CA	207
	Bob Shaw	Cush Mazda	Escondido, CA	203
	Ted Mohrland	Quaid Imports, Inc.	Riverside, CA	192
Subaru Of America	Ken Sanders	Evander Holyfield Subaru	Morrow, GA	3,636
	Lanny Williams	David McDavid Subaru	Houston, TX	2,495
	Linda Olson	Patrick Subaru	Schaumburg, IL	2,260
	Linda Coty	Burt Subaru	Englewood, CO	725
	Scott Scimemi	Millas Subaru, Inc.	Arlington, MA	570
	Hugo Morin	Essex Subaru, Inc.	Bloomfield, NJ	538
	Sam Porter	Steakley Chevrolet, Inc.	Dallas, TX	420
	Gary Lightly	Continental Motors	Anchorage, AK	262
	Ron Muccino	Canyon Imports	Newhall, CA	200
	Kurt Lance	William O. McKay Co.	Seattle, WA	200

1990 FLEET DEALER AWARDS

Toyota	Pablo Guitierrez	Kendall Toyota	Miami, FL	14,870
	Lloyd Caren	Longo Toyota	El Monte, CA	7,759
	Bill Collier	Delray Toyota	Delray Beach, FL	3,761
	Craig Tucker	Bingham Toyota, Inc.	Clovis, CA	2,699
	Darrell Brooks	Sterling McCall Toyota	Houston, TX	2,570
	Dave Shapowall	Thompson Toyota	Doylestown, PA	2,436
	Steve Graham	Toyota Center	West Columbia, SC	2,375
	Jack Nalley	Toyota of Hollywood	Hollywood, FL	2,164
	John Himmelman	General Toyota, Inc.	Avenel, NJ	1,838
	R. Householder	Toyota of Orange	Orange, CA	1,819
Volkswagen	Bill Eichman	Reeves Import Motorcars, Inc.	Tampa, FL	86
	Dennis Albers	Sonnen Volkswagen	San Rafael, CA	86
	George Ricci	Gunther Volkswagen, Inc.	Ft. Lauderdale, FL	81
	Jeff Neal	Volkswagen Gallery	Norwood, MA	66
	Marty Whitney	Whitney Volkswagen	Villa Park, IL	61
	Don Badrich	Ray Burnette VW	Alexandria, VA	54
	Leroy Larson	Potamkin Volkswagen	Hialeah, FL	53
	Kip Claxton	Crain-Daly Volkswagen, Inc.	Atlanta, GA	40
	Ray Aldich	Bowman's Concord VW	Concord, CA	33
	Tim Willet	Barber Volkswagen	Vallejo, CA	33
Top RV Dealers	Craig Capson	Jordan Ford	Mishawaka, IN	9,598
	Tom Wright	Hayden Beardslee Ford	Cassopolis, MI	2,344
	Harry R. Schwartz	Schwartz Ford	Decatur, IN	2,284

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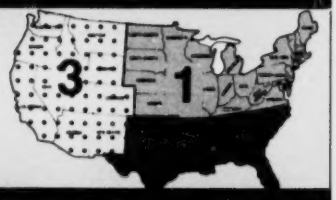
USED CARS

The following are average used-car prices for the period ending April 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



88 BUICK SKYHAWK			
Coupe	5,432	5,484	5,322
Sedan	5,507	5,561	5,400
87 BUICK SKYHAWK			
Cust Coupe	4,430	4,472	4,340
Cust Sedan	4,498	4,543	4,407
88 BUICK SKYLARK			
Cust Sedan	6,511	6,578	6,382
88 BUICK CENTURY			
Cust Sedan	6,524	6,593	6,396
87 BUICK CENTURY			
Cust Sedan	5,440	5,494	5,331
88 BUICK LESABRE			
Cust Sedan	8,503	8,588	8,335
87 BUICK LESABRE			
Cust Sedan	7,104	7,176	6,963
88 CADILLAC DE VILLE			
Coupe	13,857	13,995	13,578
Sedan	14,019	14,159	13,739
87 CADILLAC DE VILLE			
Coupe	11,256	11,371	11,034
Sedan	11,396	11,511	11,167
88 CADILLAC SEVILLE			
Sedan	14,787	14,935	14,492
87 CADILLAC SEVILLE			
Sedan	12,309	12,433	12,065
88 CHEVY BERETTA			
Coupe	6,244	6,305	6,121
88 CHEVY CORSICA			
Sedan	5,863	5,925	5,750
87 CHEVY BERETTA			
Coupe	4,964	5,014	4,866
87 CHEVY CORSICA			
Sedan	4,577	4,625	4,486
88 CHEVY CAVALIER			
Sedan	5,309	5,363	5,203
87 CHEVY CAVALIER			
Sedan	4,043	4,084	3,964
88 CHEVY CELEBRITY			
Sedan	6,086	6,148	5,965
87 CHEVY CELEBRITY			
Sedan	4,864	4,913	4,768
88 CHEVY CAPRICE			
Sedan	6,923	6,992	6,786
87 CHEVY CAPRICE			
Sedan	5,614	5,668	5,498
88 CHRYSLER NEW YORKER			
Sedan	9,863	9,962	9,666
87 CHRYSLER NEW YORKER			
Sedan	7,010	7,077	6,868
88 CHRYSLER FIFTH AVENUE			
Sedan	9,636	9,732	9,445
87 CHRYSLER FIFTH AVENUE			
Sedan	7,592	7,666	7,439
88 DODGE ARIES AMERICA			
Sedan	4,795	4,841	4,699
87 DODGE ARIES			
Sedan	3,840	3,879	3,762
88 DODGE SHADOW			
Liftbk 5 Dr	5,135	5,188	5,035
87 DODGE SHADOW			
Liftbk 4 Dr	4,222	4,265	4,137
88 DODGE DYNASTY			
Sedan	7,743	7,821	7,588
88 FORD ESCORT			
Htchbk 4 Dr GL	4,349	4,393	4,262
87 FORD ESCORT			
Htchbk 4 Dr GL	3,411	3,446	3,343
88 FORD MUSTANG			
LX-4 Coupe	5,931	5,992	5,812
87 FORD MUSTANG			
LX-4 Coupe	4,826	4,874	4,731
88 FORD TEMPO			
GL Sedan 4 Dr	5,262	5,315	5,155
87 FORD TEMPO			
GL Sedan 4 Dr	4,185	4,229	4,102
88 FORD TAURUS			
GL Sedan 4 Dr	6,883	6,952	6,745
87 FORD TAURUS			
GL Sedan 4 Dr	5,673	5,730	5,561
88 FORD CROWN VICTORIA			
Sedan	9,061	9,151	8,880
87 FORD CROWN VICTORIA			
Sedan	7,543	7,619	7,392
88 THUNDERBIRD			
Coupe	8,062	8,142	7,900
88 LINCOLN			
Town Car Sedan	13,799	13,939	13,522
Mark VII Coupe	15,329	15,480	15,021
Continental Sedan	16,889	17,056	16,551
87 LINCOLN			
Town Car Sedan	11,526	11,639	11,294
Mark VII Coupe	12,284	12,408	12,039
Continental Sedan	12,395	12,520	12,148
88 MAZDA 626			
LX Sedan 4 Dr	8,157	8,238	7,995
88 MERCURY COUGAR			
LS Coupe	8,429	8,513	8,259
87 MERCURY COUGAR			
LS Coupe	7,017	7,087	6,876
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,347	5,399	5,238
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,194	4,238	4,111
88 MERCURY SABLE			
GS Sedan	6,974	7,042	6,833
87 MERCURY SABLE			
GS Sedan	5,695	5,755	5,583
88 MERCURY GRAND MARQUIS			
Sedan	9,624	9,721	9,433
87 MERCURY GRAND MARQUIS			
Sedan	8,155	8,234	7,991
88 MITSUBISHI MIRAGE			
Mirage Sedan	4,381	4,425	4,293
87 MITSUBISHI MIRAGE			
Mirage Sedan	3,149	3,180	3,086
88 NISSAN SENTRA			
Sedan 2 Dr	4,207	4,249	4,123
88 NISSAN STANZA			
E Ntch 4 Dr	6,795	6,863	6,659
88 NISSAN MAXIMA			
SE Sedan	10,744	10,852	10,529
87 NISSAN SENTRA			
Sedan 2 Dr	3,443	3,477	3,374
87 NISSAN STANZA			
E Ntch 4 Dr	5,516	5,571	5,406
87 NISSAN MAXIMA			
SE Sedan	8,347	8,432	8,179
88 OLDS CALAIS			
Sedan	6,438	6,501	6,310
87 OLDS CALAIS			
Sedan	5,455	5,509	5,345
88 OLDS CIERA			
Coupe	6,455	6,519	6,327
Sedan	6,524	6,593	6,396
87 OLDS CIERA			
S Coupe	5,427	5,479	5,317
Sedan	5,487	5,544	5,379
88 OLDS CUTLASS SUPREME			
Coupe	7,488	7,565	7,340
87 OLDS CUTLASS SUPREME			
Coupe	6,328	6,393	6,202
Sedan	6,328	6,393	6,202
88 OLDS 98 REGENCY			
Sedan	10,044	10,142	9,841
87 OLDS 98 REGENCY			
Sedan	8,326	8,409	8,158
88 PLYMOUTH RELIANT			
Sedan	4,819	4,867	4,725
87 PLYMOUTH RELIANT			
Sedan	3,858	3,896	3,783
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,131	5,184	5,031
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,204	4,246	4,118
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,267	5,320	5,161
88 PONTIAC SUNBIRD			
SE Coupe	5,414	5,469	5,305
Sedan	5,486	5,540	5,378
87 PONTIAC SUNBIRD			
SE Coupe	4,269	4,312	4,184
Sedan	4,204	4,246	4,119
88 PONTIAC 6000			
Coupe	6,155	6,217	6,033
Sedan	6,224	6,285	6,097
87 PONTIAC 6000			
Coupe	4,976	5,025	4,876
Sedan	5,033	5,084	4,934
88 PONTIAC GRAND AM			
Sedan	6,439	6,503	6,308
87 PONTIAC GRAND AM			
Sedan	5,681	5,738	5,568
88 PONTIAC BONNEVILLE			
Sedan	8,474	8,560	8,306
87 PONTIAC BONNEVILLE			
Sedan	7,133	7,204	6,991
88 PONTIAC GRAND PRIX			
Coupe	7,850	7,930	7,697
87 PONTIAC GRAND PRIX			
Coupe	6,486	6,552	6,357
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,285	6,348	6,159
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,193	8,273	8,029
88 TOYOTA CRESSIDA			
Lux Sedan	12,742	12,869	12,488
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	4,869	4,918	4,772
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	6,988	7,057	6,847
87 TOYOTA CRESSIDA			
Lux Sedan	10,480	10,586	10,271
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,653	6,719	6,520
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,341	5,395	5,234
88 VOLVO			
240 DL Sedan	11,606	11,721	11,374
87 VOLVO			
240 DL Sedan	9,524	9,620	9,334

CALENDAR

MAY

15-17–National Car Rental Convention, Contemporary Hotel-Walt Disney World, Orlando, FL. Information: (612) 830-2548.

20-23–National Cable Television Association Conference, Georgia World Congress Center, Atlanta, GA. Information: (202) 463-7905.

JUNE

7-8–Rutgers Center for Management Development, Fleet Specification and Procurement & Fleet Maintenance Management Seminars, Clarion Hotel, Edison, N.J. Information: (800) 441–1766.

10-13–Electric Utilities Fleet Managers Show, Williamsburg Lodge & Conference Center, Williamsburg, VA.

28-29–Independent Automotive Damage Appraisers Association Annual Repair Seminar, Hyatt Regency Embarcadero Center, San Francisco, CA. Information: (914) 561–3691.

JULY

26-28–International Truck Show, Convention Center, Anaheim, CA. Information: (415) 349–4876.

AUGUST

5-8–National Association of Fleet Administrators' 22nd Annual Law Enforcement Conference, Westin Ottawa Hotel, Ottawa, Canada. Information: (201) 494–8100.

7-10–Fourteenth Annual Rocky Mountain Fleet Managers Association Conference & Equipment Show, Tropicana Resort, Las Vegas, NV. Information: (801) 629–8282.

SEPTEMBER

15-18–Consumer Bankers Association Seventieth Annual Conference, Fairmont Hotel, San Francisco, CA. Information: (703) 276–1750.

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GAS PRICES

City	UNLEADED GAS Cost Per Gallon Full-Serve	Self-Serve
Little Rock, AR	133.5 ¢	96.4 ¢
Kingman, AZ	163.9	114.4
Fresno, CA	137.9	98.2
West Palm Beach, FL	146.6	103.7
Maui, HI	185.6	139.6
Cedar Rapids, IA	133.5	109.9
Louisville, KY	134.2	101.7
Boston, MA	119.4	107.7
Iron Mountain, MI	113.4	107.9
Charlotte, NC	141.9	116.9
Reno, NV	136.9	105.4
New York City, NY	116.9	99.9
Nashville, TN	144.6	106.6
Fort Worth, TX	137.9	107.6
Madison, WI	138.9	110.6

The average U.S. full-serve gasoline price for the month of April is 128.1 cents per gallon.
The average U.S. self-serve gasoline price for the month of April is 105.5 cents per gallon.
Survey conducted during the first five working days of April 1990
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

Every year, AF honors the top three dealers from each of the major fleet makes at an award ceremony held on the closing day of the AFLA spring convention. Listed below are the top 10 fleet dealers for each franchise.

The Top-Selling Fleet Dealers of 1988

Last month, 42 fleet dealers were presented the 1989 Fleet Dealer Award recognizing them as being among the top three selling dealers within their franchise organization based on 1988 sales figures.

Presented annually by *Automotive Fleet*, this year's award ceremony took place on Apr. 15, 1989, at the Sheraton Centre Hotel on the closing day of the 21st Annual Automotive Fleet & Leasing Association spring convention. Plaques were presented to the top three winners from each of the major fleet lines.

Ed Morse Chevrolet in Ft. Lauderdale, FL, earned the honor of being the nation's top fleet dealer for the 1988 calendar year by selling 26,579 vehicles.

Ford swept the next three positions with its franchises capturing the number two, three, and four positions. In second place, with 23,988 vehicles sold, was Fairway Ford at Latrobe, PA. Number three was Arnold Palmer Ford/Lincoln-Mercury in Hilton Head, SC with 18,152 vehicles sold and number four was McInerney Ford in Orlando, FL with 16,719 vehicles sold.

Ranked below by sales volume are the top 10 fleet dealers for each franchise. Altogether, these 140 fleet dealers had a combined sales total of 614,167 units.

Also, presented for the first time are the RV conversion and GMC Truck sales awards which appear on page 56.

1989 FLEET DEALERS AWARDS

(For sales occurring in the 1988 calendar year.)

Buick	Gail Hoskins	Wilkins Buick, Inc.	Glen Burnie, MD	3,943
	Craig Leaman	Lupient Buick, Inc.	Minneapolis, MN	3,585
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	3,020
	Phil Davis	Polkowitz Motors	Perth Amboy, NJ	2,952
	Ken Carlson	Orange Buick/GMC Truck Co.	Orlando, FL	2,703
	Walter Wray	Boulevard Buick-GMC-Truck	Long Beach, CA	2,617
	Bill Macaione	Bob Brest Buick, Inc.	Lynn, MA	2,218
	Naomi Berndt	Grant Dean Buick, Inc.	Highland Park, IL	2,093
	Harold Schaudnecker	Loren Buick, Inc.	Glenview, IL	2,066
	Nick Monteleone	John Wiesner, Inc.	Conroe, TX	2,040
Cadillac	Phil Davis	Polkowitz Motors	Perth Amboy, NJ	7,801
	Jack Evans	Bayview Cadillac	Ft. Lauderdale, FL	5,867
	Allan McFarland	Central Cadillac Co.	Cleveland, OH	1,658
	Meri Huskey	Roger Penske Cadillac	Downey, CA	1,603
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	1,595
	Anita Davis	Rodger Meier Cadillac	Dallas, TX	1,277
	Lori Kressin	Long Cadillac, Inc.	Roseville, MN	1,178
	Dennis Concannon	Premier Cadillac, Inc.	Kansas City, MO	1,142
	Rich Gross	Nesen Cadillac, Inc.	Thousand Oaks, CA	833
	Doug Alling	Eddin Oldsmobile-Cadillac	Denton, TX	650
Chevrolet	Jack Evans	Ed Morse Chevrolet	Lauderhill, FL	26,579
	Bill Wink	Wink Chevrolet	Dearborn, MI	15,629
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	15,339
	Tom George	DeLorme Chevrolet	Inglewood, CA	9,919
	Bill Johnson	Curry Chevrolet	Yorktown Heights, NY	9,695
	Bill Macione	Bob Brest Chevrolet	Lynn, MA	8,251
	Scott Yassinger	Z. Frank Chevrolet	Chicago, IL	7,430
	Don Fenton	Faul Chevrolet	Barrington, IL	7,152
	Joe Cavalieri	Bast Chevrolet	Seaford, NY	6,972
	Ken Mawby	Friendly Chevrolet	Dallas, TX	6,492

AWARDS

1989 FLEET DEALERS AWARDS

(For sales occurring in the 1988 calendar year.)

Oldsmobile	Mark Rosenstock	Dale Oldsmobile	Bronx, NY	12,689
	George Steinbock	Anderson Oldsmobile	Baltimore, MD	5,296
	Don Fenton	Larry Faul Oldsmobile	Schaumburg, IL	4,246
	Dewey Hibben	Jim Lupient Oldsmobile	Golden Valley, MN	4,107
	Karen Hannon	Henry Faulkner Oldsmobile	Philadelphia, PA	3,281
	Dan Moss	Z. Frank Oldsmobile	Des Plaines, IL	3,192
	Bobbie Rucker	Browning Oldsmobile	Cerritos, CA	2,645
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	2,444
	Ron Pohl	King Motor Company	Ft. Lauderdale, FL	2,210
	Mark Smith	Sam White Oldsmobile	Houston, TX	2,051
Pontiac	Donna Janazzo	Stephen Pontiac-Cadillac	Bristol, CT	14,732
	Manuel Escoto	Prospect Motors, Inc.	Jackson, CA	12,447
	Bud Morrison	JM Pontiac, Inc.	Hollywood, FL	11,190
	Stanley Penn	Penn Pontiac, Inc.	Baltimore, MD	9,585
	Rudy Luther	Rudy Luther's Pontiac-GMC	Minneapolis, MN	4,466
	Henry Faulkner, III	Faulkner Pontiac-GMC	Trevose, PA	3,974
	John W. Wiesner	John Wiesner, Inc.	Conroe, TX	3,801
	David L. Miller	David Pontiac	Chicago, IL	3,497
	James O'Neal, Jr.	Arnold Palmer Motors, Inc.	Latrobe, PA	3,228
	Lawrence J. Faul	Larry Faul Pontiac, Inc.	Schaumburg, IL	2,993
Ford	James O'Neal, Jr.	Fairway Ford	Latrobe, PA	23,988
	James O'Neal, Jr.	Arnold Palmer Ford-L/M	Hilton Head, SC	18,152
	Ted Daniel	McInerney Ford, Inc.	Orlando, FL	16,719
	Steve Erenburg	Highland Park Ford	Highland Park, IL	9,506
	Alan Brown	Harr Motor	Worcester, MA	9,452
	Fred Lautze	S & C Motors	San Francisco, CA	8,693
	Bob Karlin	Santa Monica Ford	Santa Monica, CA	8,211
	Craig Capson	Jordan Ford	Mishawaka, IN	7,247
	Joe David	Pacifico Ford	Philadelphia, PA	6,608
	Harold Beaune	Lutz Ford	Palo Alto, CA	6,035
Lincoln/Mercury	Ronnie Howe	Libertyville Lincoln/Mercury	Libertyville, IL	8,281
	Jeannie Kerner	O'Connor Lincoln/Mercury	Los Angeles, CA	5,534
	Bob Culbertson	Marty Franich Lincoln/Mercury	Watsonville, CA	5,058
	LLoyd Brocket	Central Florida Motors	Orlando, FL	4,323
	Jim Doran	Summit Lincoln/Mercury	Houston, TX	3,519
	Mike Lureau	Elmhurst Lincoln/Mercury	Elmhurst, IL	2,091
	Bill Baker	Pugmire Lincoln-Mercury	Marietta, GA	2,050
	Bill Schreier	Stanford Lincoln/Mercury	Menlo Park, CA	1,966
	Al Brooks	Northgate Lincoln/Mercury	Tampa, FL	1,360
	Jeff Hart	Pompano Lincoln/Mercury	Pompano Beach, FL	1,346
Chrysler/Plymouth	Dottie Fitzgerald	Lake Forest Chrysler/Plymouth	Kensington, MD	10,299
	Vern Christensen	Ed Barwick Chrysler/Plymouth	Napa, CA	9,613
	Ginger Bower	South Bay Chrysler/Plymouth	Torrance, CA	7,708
	Jim Wallace	Galeana Chrysler/Plymouth	Ft. Meyers, FL	5,763
	Allen Cubbage	Allen Cubbage, C/P/D	Stanley, VA	5,664
	Dave Johnson	Tate Chrysler/Piymouth	Glen Burnie, MD	5,244
	Bob Wood/Charlie Zajac	Weir Auto Sales	Raynham, MA	4,038
	Jack Evans	Hollywood Chrysler/Plymouth	Lauderhill, FL	3,553
	Ron Pope	Russ Darrow Chrysler/Plymouth	Waukesha, WI	2,683
	Steve Erickson	Walser Chrysler/Plymouth	Eden Prairie, MN	2,294
Dodge	Gene Hall	Luke Potter Dodge	Winter Park, FL	11,380
	Jerry Ulm	Precision Chrys./Ply./Dodge	Tampa, FL	11,167
	Steve Leach	Lake Country Auto Center	Minneapolis, MN	10,609
	Jack Fitzgerald	Colonial Dodge	Kensington, MD	10,429
	Lee Murkey	Tate Dodge, Inc.	Glen Burnie, MD	8,899
	Steve Fish	Freeway Dodge	Eden Prairie, MN	9,303
	Bruce Jacobs	Pryority Motors	Pryor, OK	7,481
	Stan Smith	Del Amo Dodge	Torrance, CA	6,649
	Fred Hosak	Palm Beach Dodge	West Palm Beach, FL	4,181
	Jack Evans	Ed Morse Dodge	Lauderhill, FL	3,896

AWARDS

1989 FLEET DEALERS AWARDS

(For sales occurring in the 1988 calendar year.)

Jeep/Eagle	Don Ziminski	Broadway AMC/Jeep	Littleton, CO	398
	Mark Rosenstock	Dale American Motors	Bronx, NY	304
	Steve Leach	Southview Jeep/Eagle	Minneapolis, MN	294
	Don Newell	Roswell Jeep/Eagle	Roswell, GA	291
	Susan Sporn	AMC Jeep of Westbury	Westbury, NY	265
	Ron Sayer	Ron Sayer's, Inc.	Idaho Falls, ID	225
	Greg Penfold	Colorado Jeep/Eagle	Denver, CO	203
	Eric Hayes	Hayes Bros. Jeep/Eagle	Salt Lake City, UT	179
	Don Silver	Emich Jeep/Eagle	Lakewood, CA	176
	Ginger Brown	South Bay Jeep/Eagle	Hermosa Beach, CA	167
American Isuzu Motors	Gary Silverman	Fountain Isuzu	Orlando, FL	676
	Larry Bartleman	Fresno Isuzu	Fresno, CA	309
	Mark Smith	Sam White Isuzu	Houston, TX	286
	Ken Shepard	O'Donnell Isuzu	San Gabriel, CA	212
	Gary Grady	Grady Isuzu	Mobile, AL	181
	Alex Doubiago	Frank Coletto Isuzu	Harbor City, CA	169
	Joe Cossell	Smythe Isuzu	Santa Clara, CA	165
	Al Levine	Woodbury Isuzu	Syosset, NY	151
	Cynthia Crum	Potamkin Isuzu	Philadelphia, PA	140
	Tim Rayfield	Checkered Flag Isuzu	Virgina Beach, VA	122
Nissan	Dennis Hecker	Northtown Nissan	Fridley, MN	5,761
	Arthur Kelly	Kelly-Kean Nissan	Oak Lawn, IL	2,331
	Joseph Williamson	Action Nissan	Kissimmee, FL	2,200
	Rob Randolph	Serramonte Nissan	Coloma, CA	1,453
	Pete Balsley	Turner Nissan	Sacramento, CA	1,401
	Bill Macaione	Bob Brest Nissan	Lynn, MA	1,161
	Paula Martin	Nissan of Downey	Downey, CA	1,116
	Robert Terry	Boulton Motors	Miami, FL	1,062
	Dan Stansell	Bankston Nissan	Irving, TX	938
	Donna Janazzo	Stephen Nissan	Bristol, CT	883
Toyota	Jerry Bean	Kendall Toyota	Miami, FL	9,290
	Lloyd Caren	Longo Toyota	El Monte, CA	4,745
	Craig Tucker	Bingham Toyota	Clovis, CA	2,640
	Bob Mattox	Expressway Toyota	Miami, FL	2,239
	Bill Rossman	Thompson Toyota	Doylestown, PA	1,922
	Gene Hust	Norwalk Toyota	Norwalk, CA	1,529
	Darryll Brooks	Sterling McCall Toyota	Houston, TX	1,342
	Sue Obeymyer	Jordan Toyota	Mishawaka, IN	1,210
	Dan Plante	Downey Toyota	Downey, CA	1,100
	Robert Householder	Toyota of Orange	Orange, CA	1,057
Volkswagen of America	Eugene Weisberg	Queensboro VW	Woodside, NY	2,047
	Robert E. Giles	Giles Lafayette, Inc.	Lafayette, LA	329
	Irving Singer	Patriot Motors, Inc.	Keene, NH	298
	Mike McKenna	Ala Moana VW	Honolulu, HI	214
	Dick Gorharn	Ganley, Inc.	Parma, OH	204
	Allen N. Reeves	Reeves Import Motor	Tampa, FL	127
	Edward Garcia	Castle Enterprises	Norfolk, VA	100
	Peter T. Libman	Douglas Motors Corp.	Summit, NJ	99
	Dick McDonald	Intermountain, VW	Salt Lake City, UT	95
	Sarah Gregory	Zipper VW	Beverly Hills, CA	91
GMC Truck	Sandy McDonald	J.W. Courtesy P-GMC Truck	Tampa, FL	1,474
	Denny Aldridge	James Wood Motors, Inc.	Decatur, TX	1,374
	Ken Hunn	Behlmann GMC Trucks, Inc.	Florissant, MO	838

Automotive Fleet Conversion Awards

Craig Capson	Jordan Ford	Mishawaka, IN	16,075
Phil Beardslee	Hayden-Beardslee	Cassopolis, MI	4,211
Ed Wittmeier	Ed Wittmeier Ford	Chico, CA	2,325

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

AF Survey: Option Packaging Vs. Free-Flow Selection

NAFA/AFLA/AALA Report Top Dealer Awards

1991 Buick Park Avenue

Limited Or Broad Selector?
Future Of Alternate Fuels
Fleet Truck Issues
Provided vs. Reimbursed

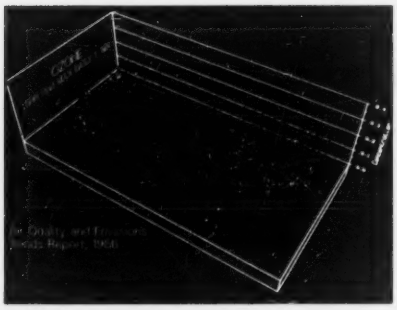
automotive
FLEET®

BOBIT PUBLISHING

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

June 1990
VOL. 29, NO.8

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.



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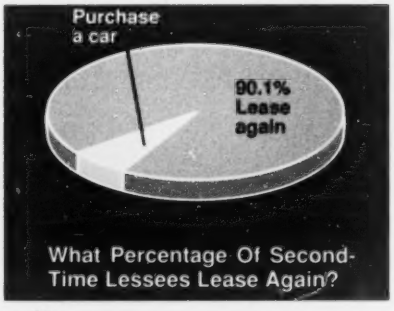

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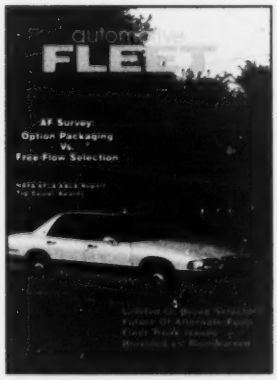

On the cover: (left to right) Buick's Marc Smith, manager, fleet sales-East, George Benjamin, manager, fleet sales-West, and Dick Beecher, director, fleet sales, stand beside the new 1991 Buick Park Avenue. For a preview, see page 42.

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Option Packaging vs. Free-Flow

Option packaging continues to be a hot topic of debate among fleet managers. To find out what the chief complaints are about packaging, Automotive Fleet *recently conducted a survey of the Top 200 largest fleets.*

Why does option packaging — versus free flow — continue to be such a topic of debate within the fleet industry? To answer this question, *Automotive Fleet* recently conducted a survey of the Top 200 largest fleets in America, asking them five questions designed to get to the heart of the packaging issue. (See Chart 1.) The survey struck a nerve – as indicated by the unusually-high 51 percent response rate.

The first interesting fact revealed by the survey is that fleets simply don't like packages. More than 86 percent of the respondents prefer free flow options over packages.

That is a very significant number, especially since packages have been around long enough to gain greater acceptance, and also in view of the fact that manufacturers do allow fleets some latitude in deviating from option packages.

The survey substantiates the perception that fleets don't like option packaging because:

1. It forces them to buy more equipment than they really want;

2. It drives up the acquisition cost of their cars and trucks, and these higher costs are not recouped at resale time,

3. And it impacts fleet policies that allow drivers to purchase cer-

Automotive Fleet Option Survey: Questions And Responses

1. Do the manufacturers allow you to deviate from option packaging in your ordering process?

Yes: 42% No: 58%

2. Given your choice, would you prefer free flow ordering as opposed to option packaging?

Yes: 85% No: 15%

3. Does your company vehicle selector program allow your drivers to select either free-flow options and/or option packages at their expense?

Yes: 54% No: 46%

4. Does option packaging cause you to order more or less of the following? **(See chart below Question 5.)**

5. If the following were available through free-flow selection, would you order more, or less, of the following options? **(See chart below)**

OPTION	Question 4		Question 5	
	More	Less	More	Less
Tilt Wheel	83.3	16.7	59.3	40.7
Cruise Control	84.4	15.6	68.5	31.5
Power Door Locks	66.7	33.3	54.7	45.3
Power Windows	62.3	37.7	36.1	63.9
Power Seats	50.0	50.0	41.5	58.5
Pulse Wipers	78.7	21.3	56.0	44.0
AM/FM Stereo Cassette	71.9	28.1	49.0	51.0
Electronic Digital Instrumentation	26.7	73.3	29.5	70.5
Airbags	33.3	66.7	54.3	45.7
Anti-lock Braking System	25.0	75.0	53.3	46.7
Speed-sensitive Steering	14.3	85.7	28.6	71.4
Anti-theft Systems	14.0	86.0	33.3	66.7
Vehicle Maintenance Monitor	15.4	84.6	29.5	70.5

Chart 1.

tain options at their own expense.

Fleets have been slow to accept the manufacturers' rationale for converting from free flow options to packages. The reasons given by the manufacturers is that packaging reduces the number of buildable combinations for a given model vehicle – from trillions in the case of a typical intermediate model–to only about 10,000. And this simplification of the build process is supposed to yield such benefits as:

- Reduced cost. (Simplification reduces the amount of parts inventory manufacturers must carry, facilitates just-in-time inventory, and reduces loss and damage.)
- Improved quality. (Simplification allows more streamlined assembly with fewer exceptions and likelihood of error.)
- Improved value since packages give more content at lower cost.

Perhaps the reason that packaging remains such a hot issue is the perception that fleets (and other buyers) are not, in fact, receiving the promised benefits of packaging. That is, fleets aren't convinced that they share in the benefits of reduced production costs, and disagree that packages provide more content at lesser cost. To end the controversy, manufacturers need to convince fleets – through facts and hard data —that the advantages of the packaging approach benefit all end-users.

Let's look again at the resistance fleets have to the practice of packaging. There seem to be three fundamental concerns:

- Do packages in fact cause fleets to buy more equipment than they actually want?
- Do packages result in savings (lower capitalized costs) or do they actually increase capitalized costs?
- Do packages actually increase value with higher quality/dependability, higher resale, and consequently, lower holding costs?

Ultimately, all of these questions boil down to one common complaint — and it has to do with the question of value; the additional options contained in packages become an issue only if the higher acquisition cost is not offset by higher resale — resulting in lower overall holding costs.

Previous articles in *Automotive Fleet* have dealt with whether packages force more equipment on the buyer, and whether costs are higher for items purchased in packages or as free flow options. Perhaps it's too early to prove whether resale value is sufficiently increased to offset upfront acquisitions costs, but the initial evidence would seem to argue that it does not. No doubt about it, the perception is that packages force buyers to order more equipment than they want. However, that doesn't mean they always select a package in order to get what they want. It depends on the piece of equipment. The following are examples of packaged equipment which the majority of fleets will "tolerate," meaning they buy these items even though they are in a package:

Options Purchased Despite Other Equipment

Tilt wheel	83.3%
Cruise control	84.4%
Power door locks	66.7%
Power windows	62.3%
Power seats	50.0%
Pulse wipers	78.7%
AM/FM stereo with cassette	71.9%

Chart 2.

It's worth noting that three items —power windows, power seats, and stereo with cassette — would be purchased less often if available as free flow, according to a majority of the respondents.

It is important to note that the *Automotive Fleet* survey excluded drivers. Most companies (54 percent of those responding) allow drivers to order extra equipment at driver expense. What is not clear is how often drivers don't purchase an option because it is packaged with other undesired items which they are unwilling to pay for. Manufacturers could be losing some sales here, too.

On the other hand, fleets draw the line on certain options, the majority saying they do not purchase the options listed below because they are part of a package (i.e., they won't opt for the package just to get these items).

Won't Buy Because Of Other Equipment In An Option Package

Electronic digital instrumentation	73.3%
Airbags	66.7%
Anti-lock brakes (ABS)	75.0%
Speed-sensitive steering	85.7%
Anti-theft systems	86.0%
Vehicle maintenance monitor	84.6%

Chart 3.

Of this group, only airbags and anti-lock brakes would be purchased more often by the majority of survey respondents if they were available as free-flow options.

The lack of enthusiasm for this group of options is presumably due to cost. Interestingly, a recent University of Michigan Delphi Forecast reported that in order to achieve 25 percent market penetration, the buying public would pay the following maximum prices for certain high tech features:

Price Forecast

Highest price that consumers would pay for advanced automotive features:

Feature	25% Market Penetration
Anti-lock brakes	$400
Traction control	$150
Active suspension	$300
Four-wheel steering	$250
Navigation computer	$275
Anti-collision device	$250

SOURCE: University of Michigan Delphi Forcast.

Chart 4.

Current pricing on the above options is considerably more than stated acceptable limits.

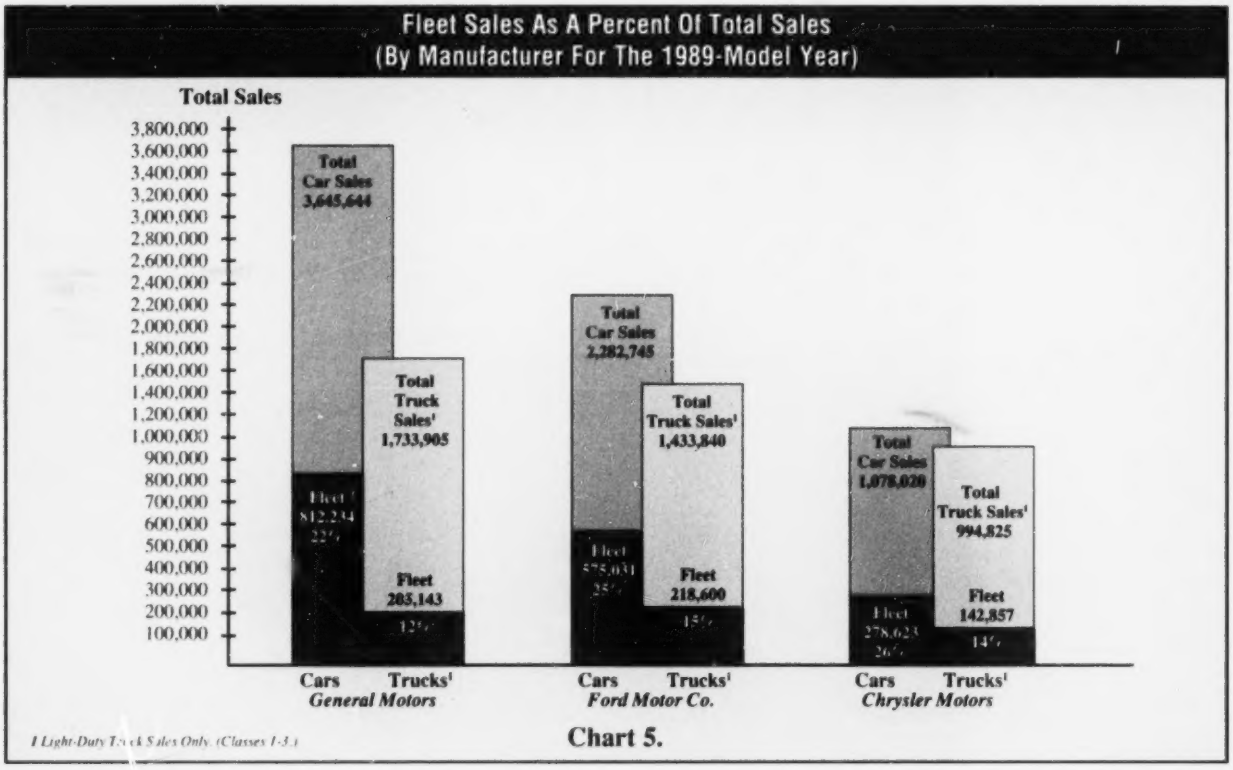


Chart 5.

Some Things To Keep In Mind

Aside from the basic rationale behind packaging, NAFA has criticized the motor companies' practice on these grounds:

1. The *content* of packages is not always reasonable. (It's difficult to understand how combining cruise control and pulse wipers with floor mats makes the assembly process any simpler, or less expensive.)

2. Package content should remain stable from year-to-year. (Are there engineering reasons—or just marketing strategies—behind the shifting content of packages? After all, if a combination simplified the build process last year, wouldn't it do the same this year – especially on carry-over models with very little change?)

3. Package pricing should be set at announcement time and remain stable throughout the model year. (Otherwise, comparisons are impossible, and worse, decisions made earlier in the year are often invalidated by changes made later in the year.)

NAFA has already published its "wish list" for free-flow options, above and beyond the basic fleet car. (See January 1990 *Automotive Fleet.*)

NAFA's point is that these extras are frequently ordered by fleets, and should be available by themselves. However, if packaging is unavoidable, then the packages must be *reasonable* combinations that will help not only the manufacturer, but fleets as well. NAFA's requests seem reasonable enough. Looming behind the request, however, is the question whether the manufacturers are willing to give greater recognition to the specific (and often unique) requirements of the commercial fleet market segment. After all, fleets account for a very significant share of each manufacturer's total production. (See Chart 5.)

Additionally, manufacturers could accommodate fleet needs by focusing on a relatively-limited number of makes and models (albeit high volume ones). Out of the more than 600 makes and models currently available to the buying public, only 130 make up the approximately 2.0 million automobiles registered to fleets each year. The standard "80/20 rule" applies accurately here: virtually 80 percent of fleet automobile sales come from only 27 percent (36 models) of the total 130 different models.

To take this point still further, almost 40 percent of all fleet automobile purchases are represented by the Top 10 models. In order to satisfy the request for free-flow "exemptions" for fleets, or even for fleet-oriented packages, therefore, manufacturers could provide significant accommodations by focusing on only a few mainline top-sellers, particularly vehicles in the compact and intermediate classes. Together, these two groups account for 63.51 percent of fleet automobile registrations. (See Chart 6 on facing page.)

Just as manufacturers might benefit from being reminded of the tremendous fleet purchasing volume, fleets might also benefit from a few reminders. While it is true the auto-

motive market consists of three, distinct segments (retail, commercial, and rental), it is also true that there is only one market for *used vehicles* from any of these segments. The retail market establishes, through the dynamics of supply and demand, the value of commercial fleets' used cars and trucks.

Since this is the case, fleets should not push too hard to achieve unique "fleet packaging" commitments from the manufacturers. From a used-car perspective, the more fleet vehicles resemble retail units the better. "Plain Jane cars simply don't sell," as many experts have said again and again on these pages. An identifiable "fleet" vehicle is a dead duck in the used-car market.

Options have to be viewed in terms of their ultimate contribution to (or detraction from) resale value. For example, a multi-valve four-cylinder engine may be a very desirable fleet option. It gets the job done and lowers operating costs. But multi-valved, turbocharged or supercharged, four-cylinders engines are not good items in the used-car market. A plain, six-cylinder engine will almost always outperform it. Hence, holding cost is actually lower by not having this option.

Chart 6.

Does this mean fleet vehicles need to be "loaded?" Not every buyer of used cars is looking for digital gauges and variable-assist steering. It is unlikely a fleet will recoup its investment in certain types of options. But the definition of "loaded" is a relative concept, and the secondary market does in fact, steadily and consistently up the ante, expecting more options on used vehicles. Secondary buyers also look for value, and the presence of some items – although not essential to fleet–may mean the difference between a quick sale at top dollar or a unit that languishes on the lot.

There are exceptions. The service life of some fleet vehicles (notably railroads, utilities, and law enforcement agencies) is so long that resale value is less of a factor. It makes sense, therefore, for these fleets to continue spec'ing their vehicles strictly to need, using functional criteria, with less regard for impact on resale. These fleets already enjoy a number of manufacturer concessions as a result of the large volumes in which they typically purchase vehicles.

For most fleets then, the truth is that their market is but a microcosm of the retail market in general. It pays, therefore, to notice what the retail market demands, and to plan accordingly. Some options are clearly gaining acceptance, and are coming to be expected on used vehicles. Many fleets recognize such trends, and the manufacturers' data shows it. Tilt wheel, for example, which was ordered on 52.2 percent of the 1989 Chevrolets produced for fleet, is now running at 64.6 percent on the 1990 models. Cruise control is up from 44.2 percent to 53.6 percent. Intermittent wipers have jumped from 45.9 percent to 87.6 percent of the fleet Chevrolets being produced. Tilt wheel and cruise control were equipped in 71 percent of the 1989 Dodge Dynastys ordered by commercial fleets. This year it is on 92 percent of the 1990 models. Similarly, about three-quarters of Ford's cars have tilt and 73 percent have cruise control, while intermittent wipers are on 96 percent of the Ford units produced for fleets.

The fleet manager's task is to recognize which options are commonplace today (the absence of which will impact resale value), and to watch for developing trends (e.g., ABS or airbags) because these options might directly affect resale two to three years from now.

The bottom line is holding cost — the net cost of the vehicle over its service life. Far more important than acquisition cost, holding cost indicates how well the fleet manager is performing, balancing what equipment is needed to do the job against what will ultimately enhance the net return on the investment. Consequently, if the retail market is evolving to expect certain options as "standard" on used cars and trucks, fleets can enhance resale by anticipating buyer expectations.

Conclusion

Option packages are here to stay. Their utility has been proven — at least to manufacturers–and so a return to unrestricted free flow is unlikely.

Fleets need to recognize the opportunities and to make packaging work to their advantage. That requires a candid assessment of the real effects of packaging.

- Packages are not always "bargains." Consequently, the cost of equipment must be analyzed in detail. In many cases, free-flow ordering may be available at lower cost.
- Packages sometimes force higher equipment levels on a fleet. This may not be altogether negative, especially when it results in fleet vehicles that conform closely to what's desirable in the retail used-vehicle market. The retail market arbitrates used-vehicle values, so it pays to watch for developing option trends, and to adjust the company selector to include potential resale enhancers.
- Collectively, fleets possess tremendous purchasing power, which can influence manufacturers to design reasonable, useful equipment combinations and to achieve stable content and pricing. AF

Company Car Preferred by 78 Percent of Fleet Users

Financial feasibility and ease of maintenance were the main reasons given by fleet drivers, fleet managers, and sales managers as to why they prefer company-provided vehicles over employee-provided cars.

In a recent fleet industry study, the overwhelming percentage of surveyed drivers, fleet managers, and sales managers said a company-provided program — rather than an employee-provided program — is the preferred means for acquiring and maintaining a business car.

The two primary reasons for this perceived benefit were the minimal out-of-pocket expenses to employees and the overall "ease" for an employee to acquire and operate a business car.

The study was conducted by the Automotive Research Group of Maritz Marketing Research, Toledo, OH, for the National Association of Fleet Administrators' Foundation. The survey data was collected by conducting 463 telephone interviews.

The study set out to quantify the relative benefits of having companies provide business cars for sales and service employees as opposed to reimbursing them for using their personal cars on company business. Four groups were surveyed:

1. Fleet managers.
2. Sales managers.
3. Drivers currently in employee-provided programs.
4. Drivers currently in company-provided programs.

Program Preference

	Prefer company-provided program %	*Prefer employee-provided program* %	*No preference* %	*Sample size*
Total Managers	92	6	2	(233)
Fleet Managers	90	9	1	(125)
Sales Managers	92	4	4	(108)
Total Drivers	65	34	1	(230)
Company-provided program	83	17	0	(105)
Employee-provided program	50	48	2	(125)
Income : $40,000 or less	61	39	0	(71)
$40,001 – $60,000	69	29	2	(66)
$60,001 or more	56	42	2	(64)
Grand Total	78	20	2	(463)

Table 1.

More than 90 percent of fleet and sales managers chose a company-provided program (Table 1). When asked which program they would pick *for themselves*, the majority from both groups selected the company-provided program because it was financially less burdensome for the employee. In addition, specific expenses such as insurance and maintenance were usually mentioned as factors (Table 2).

When describing the benefits of a company-provided program, managers frequently used the phrase "easier on employees." According to the survey, this observation reflects the convenience of using a company car, as opposed to the business use of a personal car.

Sales managers, in particular, appear more sensitive to the cost and effort accompanying vehicle maintenance; 38 percent cited maintenance, as compared to 18 percent of fleet managers. Conversely, fleet managers appeared more sensitive to subject of employee "ease" as indicated in Table 2.

When presented with the option

Frequently Mentioned Reasons For Preferring *Company*-Provided Programs

	Fleet Managers %	*Sales Managers* %	*Drivers – by current program* *Company provided* %	*Employee provided* %
Financially more feasible to employees	53	49	36	53
Company takes care of maintenance	18	38	51	8
Company covers insurance	35	33	14	13
Easier on employees	27	12	21	13
Company takes care of expenses	21	13	11	31
Saves wear and tear on personal car	4	3	12	8
Sample size	**(125)**	**(108)**	**(105)**	**(125)**

Table 2.

to select car programs for their own use, drivers chose company-provided programs over employee-provided programs by a ratio of two-to-one. There were significant differences, however, between the responses of drivers currently providing their own cars and those driving company cars.

Clearly, drivers in company-provided programs prefer to retain them. But those now in employee-provided programs would be just as likely to choose one program as the other. As the data in Table 1 indicates, one-half of the drivers currently in employee-provided programs would switch to a company-provided program if given the opportunity.

When asked why they would prefer a company car, drivers mentioned financial reasons most often, citing wear and tear on their personal car, insurance and maintenance. Again, the "easier on employees" rationale was frequently volunteered as the basis for their preference.

Multiple reasons were given by drivers who preferred the employee provision. The favorite reason (Table 3) was the driver's choice of vehicle which, presumably, is perceived as limited in a company-provided program.

There was also variation among drivers' responses to questions of preference on company- and employee-provided vehicles when their answers were compared on the basis of personal annual income (Table 1). For purposes of analysis, drivers were grouped in categories of low, medium, and high income. Regardless of income, however, most drivers preferred the company provision. But the extent of their preference was inconsistent. High earners were more likely than others to prefer an employee-provided program; low earners were a close second when similarly ranked. Reasons for this preference among high earners were personal choice of vehicle and flexibility of personal use.

Low earners also cited personal choice of vehicle, but added their

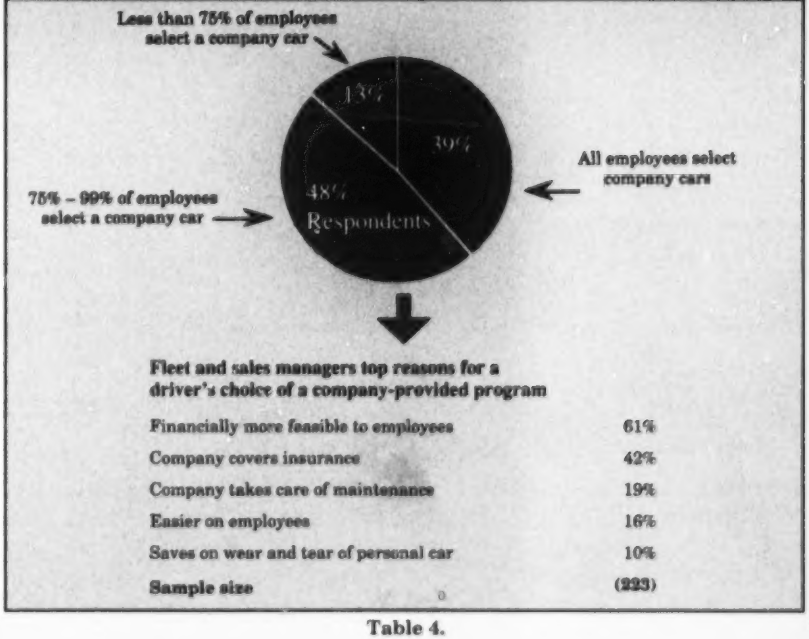
Frequently Mentioned Reasons For Prefering *Employee*-Provided Programs

	Drivers of employee-provided cars %
Benefit of choosing what I want	73
Don't like to be accountable for car	12
Available at all times/private use	10
Take better care of own car	10
A better tax advantage	10
Sample size	**(125)**

**Note: Other respondent groups not shown due to insufficient numbers preferring employee-provided program*

Table 3.

Program Preference When Employee Is Given Choice — Includes 14 Percent Of Companies With Fleet Operations



Fleet and sales managers top reasons for a driver's choice of a company-provided program

Financially more feasible to employees	61%
Company covers insurance	42%
Company takes care of maintenance	19%
Easier on employees	16%
Saves on wear and tear of personal car	10%
Sample size	**(223)**

Table 4.

Perceived Benefits of *Company*-Provided vs. *Employee*-Provided Programs

	Fleet Managers			Sales Managers			Drivers currently in company-provided program			Drivers currently in employee-provided program		
	Greater benefit with . . .			Greater benefit with . . .			Greater benefit with . . .			Greater benefit with . . .		
	Company provided program	Employee provided program	No answer	Company provided program	Employee provided program	No answer	Company provided program	Employee provided program	No answer	Company provided program	Employee provided program	No answer
	%	%	%	%	%	%	%	%	%	%	%	%
Perceived Benefits												
Company's image	92	5	3	94	4	2	89	9	2	66	21	13
Company's ability to hire and retain qualified people	90	3	7	94	4	2	87	5	8	69	14	17
Employee motivation	82	9	9	88	9	3	80	10	10	65	20	15
Providing appropriate vehicle	95	3	2	93	6	1	71	24	5	50	39	11
Reducing employee out-of-pocket costs	91	7	2	93	4	3	90	8	2	71	20	9
Allow the employee to choose a personal preference for a vehicle	40	48	12	53	40	7	28	67	5	22	70	8
The individual employee's prestige and image	72	22	6	69	26	5	53	41	6	39	47	14
Driver ease of replacing the vehicle	81	16	3	80	14	6	77	21	2	55	38	7
The proper maintenance of vehicle	82	11	7	86	11	3	74	17	9	34	52	14
The employee's pride in ownership	39	51	10	48	45	7	22	69	9	15	74	11
The employee's overall performance on the job	74	8	18	76	10	14	64	15	21	36	33	31
The overall efficient use of time with the vehicle	72	13	15	76	13	11	60	19	21	23	48	29
The quality of service to customers	69	4	27	81	3	16	64	11	25	35	26	39
The appropriate amount of personal usage of the car	50	40	10	60	19	21	38	47	15	22	66	12
Using the appropriate type of business travel	69	8	23	74	7	19	67	15	18	58	18	24
The cleanliness and overall appearance of the car	62	28	10	70	25	5	48	38	14	27	55	18
The amount of employee time spent on business car matters	77	12	11	79	14	7	70	19	11	45	37	18
The company's achievement of its objectives	87	5	8	93	1	6	79	7	14	47	26	27
The employee perception of equitable sharing of costs	80	11	9	81	15	4	80	14	6	59	29	12
Reducing overall costs to the company	75	20	5	91	7	2	53	36	11	32	59	9

Table 5.

belief that a vehicle is better maintained and cared for when employee-owned.

Current Fleet Operations

Few companies give employees a choice of programs, but if a choice is offered, most drivers choose a company-provided program.

About 14 percent of the companies with fleets offer employees a choice between using a company car or their personal car. Among those companies which offer a choice, the vast majority (87 percent) report that at least 75 percent of their drivers have chosen the company-car program (Table 4).

Asked why their drivers prefer a company-provided program, fleet and sales managers frequently cited employee out-of-pocket costs and the "ease" with which the employee acquires and operates the car.

Sales managers, in particular, said drivers would be attracted to the company-provided program because of reduced maintenance costs and related concerns, and the elimination of wear and tear on their personal car. Fleet managers emphasized that company-provided programs tend to be "easier on the employee."

Company- vs. Employee-Provided

Fleet managers, sales managers, and drivers agree that the company

provision offers the greatest benefit to both the company and the employee. Most respondents said a company-provided program would meet 85 percent of their personal and business needs. Even drivers who are currently in an employee-provided program feel that a company-provided car would prove more beneficial for them most of the time.

Respondents also evaluated which business car program — either company-provided or employee-provided — would offer the greatest benefit with respect to 20 factors. (See Table 5.) The respondents were asked to decide which program was most beneficial in each case. According to the results, company-provided cars were found to be better in most instances.

Fleet managers, sales managers, and drivers feel company-provided cars offer a greater benefit than an employee-provided program with respect to these 20 factors.

Only one of the 20 factors — appropriate amount of personal usage — placed overall driver opinion in opposition with overall fleet and sales manager opinion. Both managerial groups indicated that a company-provided program offers the greatest benefit for this factor. But both groups of drivers believe an employee-provided program would ensure the most appropriate amount of personal use.

Summarizing the 20 stated factors, the study found that fleet and sales managers respond almost uniformly in support of a company-provided program. Drivers, while favoring the company provision overall, have occasional differences of perception based upon the type of program they are involved in (Table 5).

Methodology

Conducted by the Automotive Research Group of Maritz Marketing Research for the NAFA Foundation, survey data was collected through 463 telephone interviews averaging nine minutes apiece.

The survey sampling represents a cross-section of those professions directly affected by and most familiar with the use of vehicles for company business. The survey focused on questions about perceptions of differences between company-provided and employee-provided programs for supplying business cars.

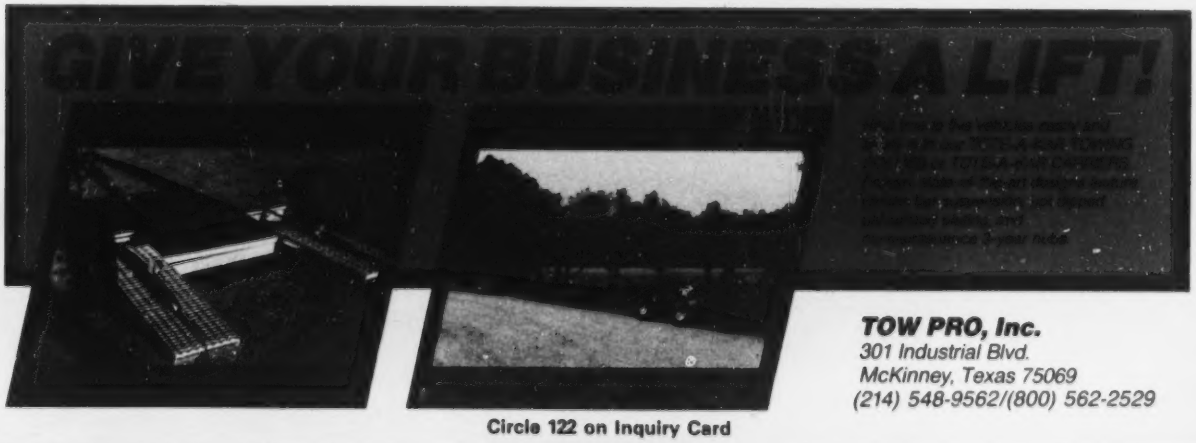
In all cases, questions were in reference to sales and service usage of vehicles; no questions were asked in reference to executive vehicle programs.

Interesting differences also surface when drivers' opinions are compared based upon which program they would prefer for themselves, if given the choice. As indicated in Table 1, 65 percent of all drivers would prefer a company-provided program, while 34 percent would choose an employee-provided program.

A comparison of the two driver groups reveals that although about one-third prefer an employee-provided program, this same group indicates that a company-provided program would be equally or more beneficial on almost half of the 20 factors they evaluated in Table 5. Drivers preferring a company-provided program felt that a company car best served the majority of relevant business and personal needs; so their overall program decision was relatively easy.

Drivers preferring an employee-provided program, on the other hand, perceived neither program to be overwhelmingly superior in a factor-by-factor evaluation. While those drivers who liked using their own cars saw the advantage in company-provided programs, only a few image factors — prestige, pride, choice, and vehicle appearance—scored well with them.

The findings are further supported when comparing the opinions of drivers currently in an employee-provided program versus those in a company-provided program. As Table 5 indicates, the opinions of drivers of the two programs differ on issues primarily related to personal and vehicle appearance. In addition, each driver group believes their current program is best for reducing costs to the company. AF



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Survey Shows Consumer Leasing Is Making Gains

Research by an independent consultant shows consumer leasing is gaining in appeal at dealerships, but two-thirds of the surveyed dealers term their sales staff "seriously deficient" in leasing knowledge.

A national survey of 407 retail automobile dealers, representing 1,092 franchises, indicates automobile leasing is facing a bright future — with its prospects getting better all the time.

The survey, conducted by Coastal NW/Market Research, Bandon, OR, asked respondents 14 questions focusing on such topics as a dealer's knowledge of leasing, customer satisfaction, repeat lessees, and market growth.

Leasing Predicted to Rise

Surveyed dealers predicted that retail leasing will increase as new car purchase prices escalate and as consumers gain more financial savvy about the benefits of leasing.

Dealers reported that once a consumer leases a car or truck that 75.7 percent return for a second lease. Among second-time lessees, including those who select middle and lower-priced automobiles, an impressive 90 percent lease another

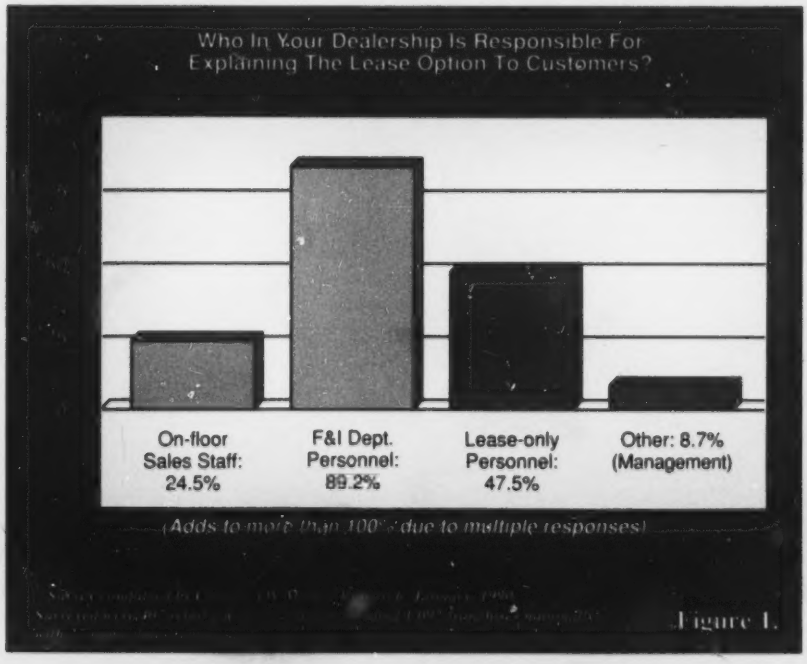


Figure 1.

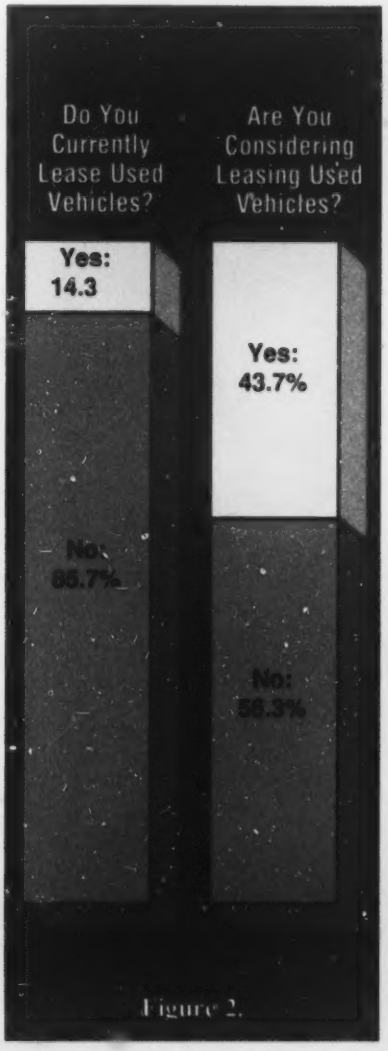


Figure 2.

vehicle.

While Hyundai and some other dealers are taking the tack that a customer can substantially lower monthly payments through leasing, the survey shows dealers elect to use the lease/option method as a way of moving people into higher-priced models at nearly the same monthly payment.

With respect to repeat leases, surveyed dealers indicated that 56 percent of repeat leases are for compacts and 64 percent are for intermediates.

Leasing Benefits

When looking at those customers who have converted from purchase to lease by dealership staffs, the survey showed that monthly lease terms are only 7.7 percent less than the amount of monthly payments that customers had anticipated making if they had purchased the vehicle.

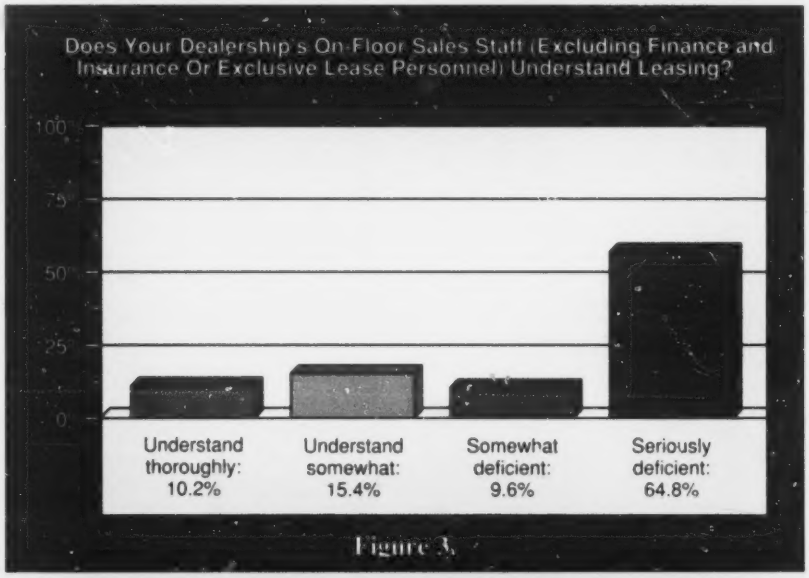
Since the identical vehicle leases for a minimum of 20 percent less than if it were purchased on credit, the indication is that consumers are being put into higher-priced models, according to an NW Market Research spokesperson.

The vast majority of off-lease vehicles were rated as being in "better condition" than used cars traded in on new car purchases.

Retention Varies

Among survey respondents, there was a wide variation as to retention by dealers of off-lease vehicles for used-car operations: only 2.3 percent retained all the vehicles; 24.9 percent retained most vehicles; 61.3 percent retained some; and 11.5 percent disposed of all vehicles.

In connection with questions



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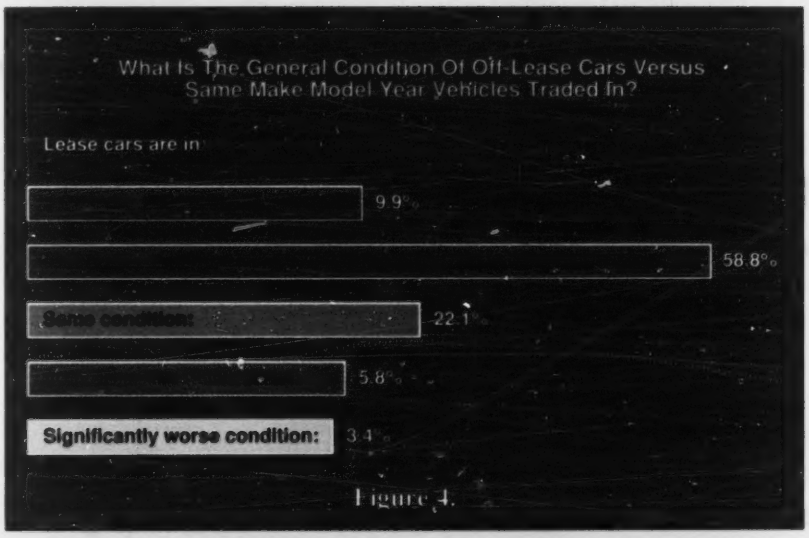

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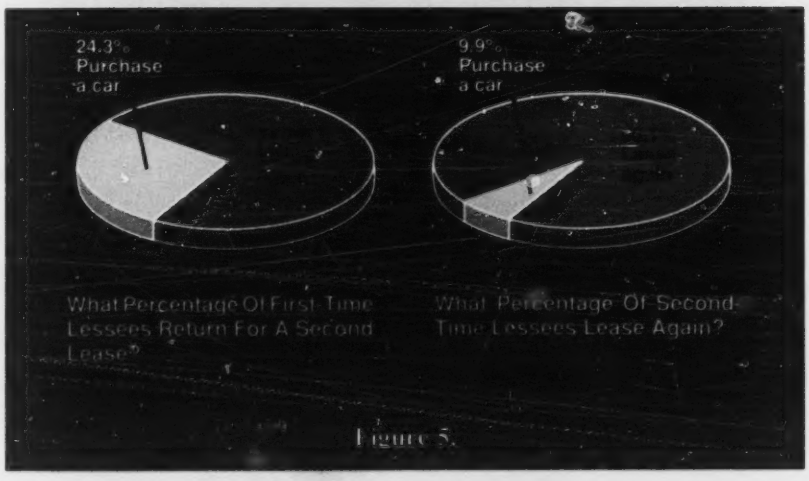


Figure 5.

about returned off-lease vehicles, 14.3 percent of the respondents said they leased used vehicles, and 43.7 percent indicated they are considering leasing used vehicles.

The vast majority of those off-lease vehicles were rated as being in "better condition" than used cars traded in on new car purchases. Only 9.2 percent of the off-lease vehicles were rated as being in substandard condition.

Disposal Has Become Easier

With the projected increase in leasing popularity, the matter of disposing of the cars assumes greater importance, the survey said. More than 80 percent of the dealers interviewed said disposal of consumer-lease vehicles has become easier, mostly because auto wholesale companies, auctions, and financial institutions have developed off-lease programs.

Dealers predicted that retail leasing will increase as new car prices escalate and consumers gain more financial savvy.

Many dealers welcome such disposal plans. And yet, the NW Market Research spokesperson said it is apparent from the responses that the better-than-average condition of end-of-term (EOT) vehicles is prompting many dealers to reexamine their plans and consider whether retention for their used-vehicle business might be to their advantage.

Leasing Staffs Deficient

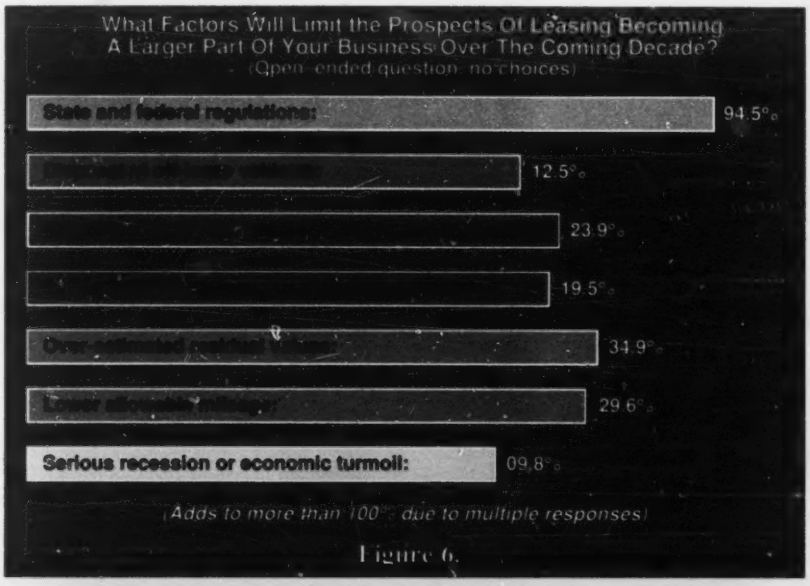
Here are some other findings:

• Training of leasing personnel is lacking. Nearly two-thirds of dealers term their sales staffs "seriously deficient" in leasing knowledge.

• Leasing explanations to customers are usually handled by finance and insurance specialists (89 percent of the time) instead of sales personnel.

• Fewer than half of dealerships delegate leasing explanations to sales people.

Aside from usual EOT charges, dealers also showed concern that reduced mileage limits could negatively impact their customer satisfaction index ratings. As a practical matter, the reduced mileage limits could cause monthly lease payments to escalate, placing lessors in the same price spiral that new car sales dealers are caught in. Should that develop, an NW/Market Research spokesperson said the growth rate of leasing would certainly slow. AF



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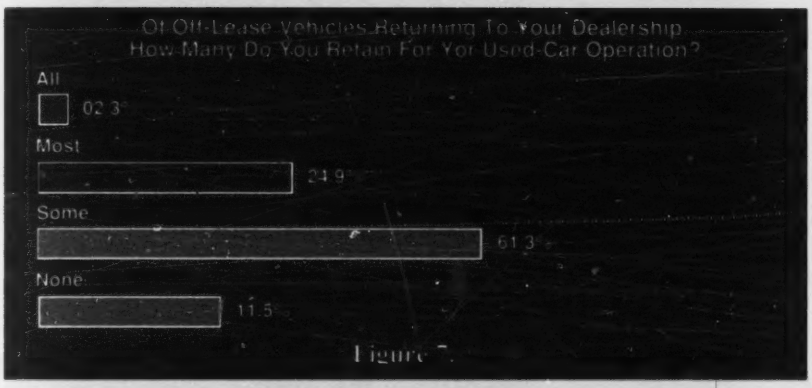

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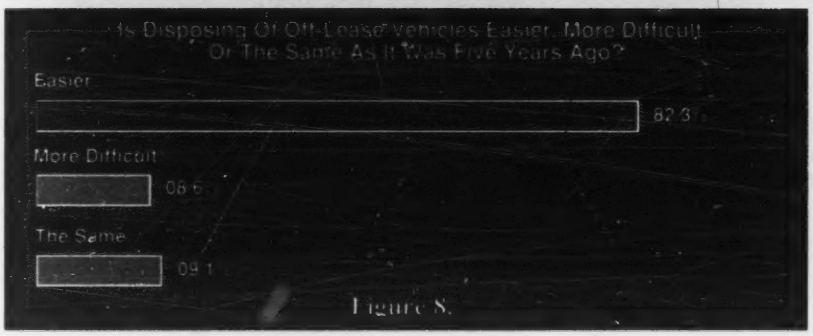


Figure 8.

USED CAR PRICES

The following are average used-car prices for the period ending April 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of *Automotive Market Report*.

	Zone 1	Zone 2	Zone 3
88 BUICK SKYHAWK			
Coupe	5,416	5,467	5,306
Sedan	5,490	5,544	5,384
87 BUICK SKYHAWK			
Cust Coupe	4,391	4,433	4,301
Cust Sedan	4,459	4,501	4,368
88 BUICK SKYLARK			
Cust Sedan	6,510	6,578	6,382
88 BUICK CENTURY			
Cust Sedan	6,465	6,533	6,339
87 BUICK CENTURY			
Cust Sedan	5,392	5,446	5,283
88 BUICK LESABRE			
Cust Sedan	8,418	8,502	8,251
87 BUICK LESABRE			
Cust Sedan	7,040	7,112	6,900
88 CADILLAC DE VILLE			
Coupe	13,969	14,107	13,687
Sedan	14,131	14,272	13,849
87 CADILLAC DE VILLE			
Coupe	11,199	11,314	10,979
Sedan	11,339	11,453	11,111
88 CADILLAC SEVILLE			
Sedan	14,861	15,010	14,565
87 CADILLAC SEVILLE			
Sedan	12,247	12,371	12,005
88 CHEVY BERETTA			
Coupe	6,306	6,369	6,182
88 CHEVY CORSICA			
Sedan	5,917	5,979	5,802
87 CHEVY BERETTA			
Coupe	4,939	4,989	4,842
87 CHEVY CORSICA			
Sedan	4,554	4,602	4,464
88 CHEVY CAVALIER			
Sedan	5,266	5,320	5,161
87 CHEVY CAVALIER			
Sedan	4,007	4,048	3,928
88 CHEVY CELEBRITY			
Sedan	6,068	6,130	5,947
87 CHEVY CELEBRITY			
Sedan	4,835	4,883	4,740
88 CHEVY CAPRICE			
Sedan	6,827	6,894	6,691
87 CHEVY CAPRICE			
Sedan	5,541	5,594	5,427
88 CHRYSLER NEW YORKER			
Sedan	9,892	9,992	9,695
87 CHRYSLER NEW YORKER			
Sedan	6,968	7,035	6,826
88 CHRYSLER FIFTH AVENUE			
Sedan	9,655	9,751	9,464
87 CHRYSLER FIFTH AVENUE			
Sedan	7,607	7,681	7,454
88 DODGE ARIES			
Sedan	4,795	4,841	4,699
87 DODGE ARIES			
Sedan	3,798	3,836	3,721
88 DODGE SHADOW			
Liftbk 5 Dr	5,120	5,172	5,020
87 DODGE SHADOW			
Liftbk 4 Dr	4,193	4,236	4,107
88 DODGE DYNASTY			
Sedan	7,712	7,791	7,557
88 FORD ESCORT			
Htchbk 4 Dr GL	4,340	4,384	4,253
87 FORD ESCORT			
Htchbk 4 Dr GL	3,384	3,419	3,316
88 FORD MUSTANG			
LX-4 Coupe	5,931	5,992	5,812
87 FORD MUSTANG			
LX-4 Coupe	4,820	4,869	4,727
88 FORD TEMPO			
GL Sedan 4 Dr	5,294	5,347	5,186
87 FORD TEMPO			
GL Sedan 4 Dr	4,190	4,234	4,106
88 FORD TAURUS			
GL Sedan 4 Dr	6,293	6,357	6,168
87 FORD TAURUS			
GL Sedan 4 Dr	5,196	5,245	5,091
88 FORD CROWN VICTORIA			
Sedan	9,034	9,123	8,853
87 FORD CROWN VICTORIA			
Sedan	7,505	7,581	7,355
88 THUNDERBIRD			
Coupe	8,038	8,118	7,876
88 LINCOLN			
Town Car Sedan	13,771	13,911	13,495
Mark VII Coupe	15,236	15,387	14,931
Continental Sedan	16,787	16,954	16,452
87 LINCOLN			
Town Car Sedan	11,411	11,523	11,182
Mark VII Coupe	12,162	12,284	11,919
Continental Sedan	12,271	12,395	12,027
88 MAZDA 626			
LX Sedan 4 Dr	8,100	8,180	7,939
88 MERCURY COUGAR			
LS Coupe	8,471	8,556	8,301
87 MERCURY COUGAR			
LS Coupe	7,038	7,108	6,897
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,379	5,431	5,270
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,199	4,242	4,115
88 MERCURY SABLE			
GS Sedan	6,953	7,021	6,812
87 MERCURY SABLE			
GS Sedan	5,662	5,721	5,550
88 MERCURY GRAND MARQUIS			
Sedan	9,615	9,712	9,423
87 MERCURY GRAND MARQUIS			
Sedan	8,107	8,186	7,943
88 MITSUBISHI MIRAGE			
Mirage Sedan	4,350	4,394	4,263
87 MITSUBISHI MIRAGE			
Mirage Sedan	3,127	3,158	3,064
88 NISSAN SENTRA			
Sedan 2 Dr	4,165	4,207	4,082
88 NISSAN STANZA			
E Ntch 4 Dr	6,727	6,794	6,592
88 NISSAN MAXIMA			
SE Sedan	10,637	10,743	10,424
87 NISSAN SENTRA			
Sedan 2 Dr	3,409	3,442	3,340
87 NISSAN STANZA			
E Ntch 4 Dr	5,461	5,515	5,352
87 NISSAN MAXIMA			
SE Sedan	8,264	8,348	8,097
88 OLDS CALAIS			
Sedan	6,438	6,500	6,310
87 OLDS CALAIS			
Sedan	5,439	5,491	5,329
88 OLDS CIERA			
Coupe	6,398	6,461	6,270
Sedan	6,465	6,533	6,339
87 OLDS CIERA			
S Coupe	5,379	5,431	5,269
Sedan	5,439	5,493	5,331
88 OLDS CUTLASS SUPREME			
Coupe	7,473	7,550	7,325
87 OLDS CUTLASS SUPREME			
Coupe	6,290	6,355	6,164
Sedan	6,290	6,355	6,164
88 OLDS 98 REGENCY			
Sedan	9,944	10,041	9,743
87 OLDS 98 REGENCY			
Sedan	8,250	8,333	8,085
88 PLYMOUTH RELIANT			
Sedan	4,819	4,867	4,725
87 PLYMOUTH RELIANT			
Sedan	3,815	3,853	3,742
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,116	5,168	5,016
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,175	4,217	4,088
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,189	5,241	5,083
88 PONTIAC SUNBIRD			
SE Coupe	5,371	5,426	5,262
Sedan	5,443	5,495	5,335
87 PONTIAC SUNBIRD			
SE Coupe	4,230	4,273	4,146
Sedan	5,198	5,249	5,096
88 PONTIAC 6000			
Coupe	6,136	6,198	6,015
Sedan	6,205	6,266	6,079
87 PONTIAC 6000			
Coupe	4,941	4,990	4,842
Sedan	4,998	5,049	4,899
88 PONTIAC GRAND AM			
Sedan	6,420	6,484	6,289
87 PONTIAC GRAND AM			
Sedan	5,670	5,727	5,557
88 PONTIAC BONNEVILLE			
Sedan	8,440	8,526	8,272
87 PONTIAC BONNEVILLE			
Sedan	7,098	7,168	6,956
88 PONTIAC GRAND PRIX			
Coupe	7,787	7,866	7,636
87 PONTIAC GRAND PRIX			
Coupe	6,429	6,492	6,300
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,266	6,329	6,141
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,168	8,248	8,005
88 TOYOTA CRESSIDA			
Lux Sedan	12,704	12,830	12,451
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	4,854	4,903	4,758
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	6,967	7,036	6,826
87 TOYOTA CRESSIDA			
Lux Sedan	10,449	10,554	10,240
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,633	6,699	6,500
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,325	5,379	5,218
88 VOLVO			
240 DL Sedan	11,548	11,662	11,317
87 VOLVO			
240 DL Sedan	9,476	9,572	9,287

PRODUCTS

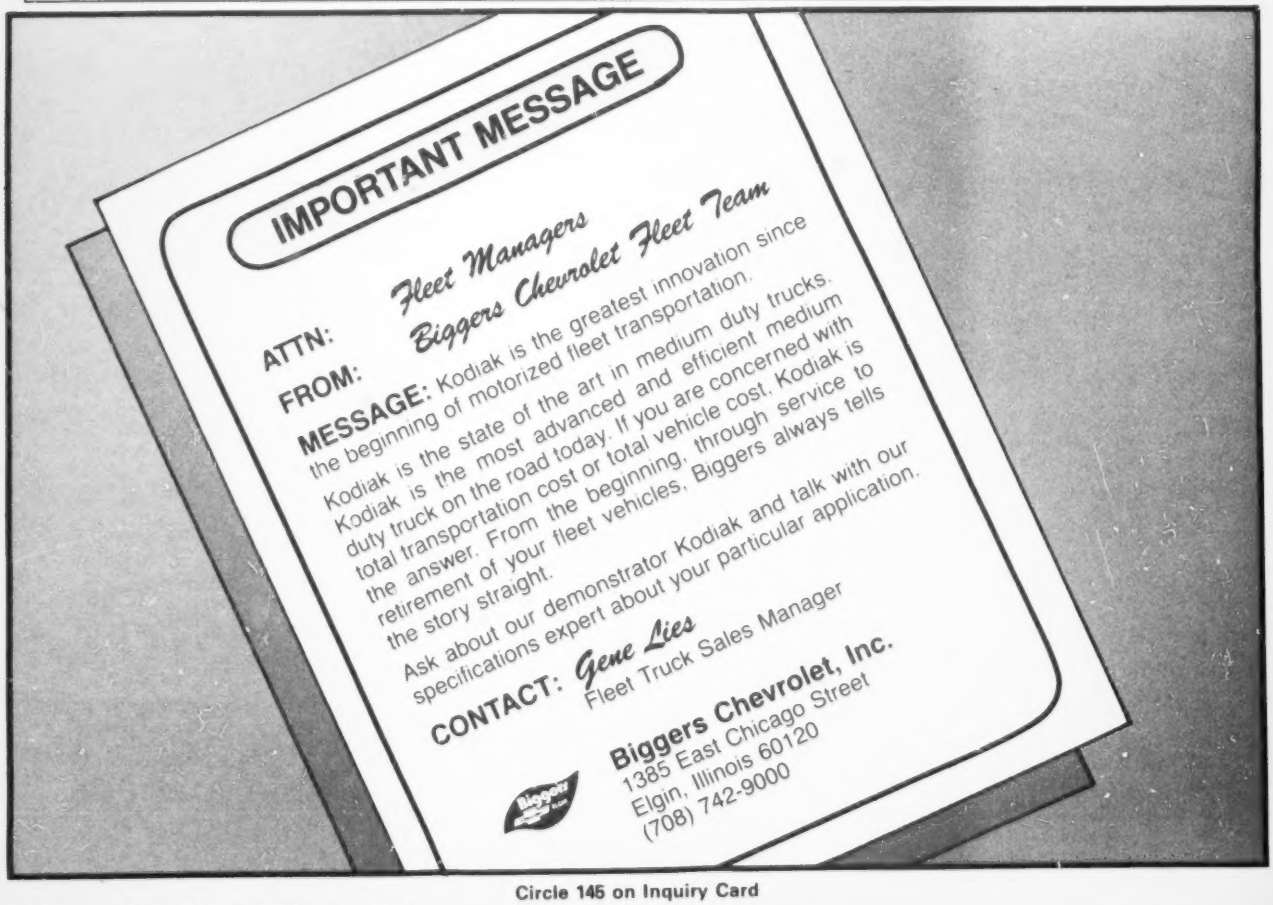
amps) neatly housed in one standard-sized battery case. A quick, quarter turn on the yellow control dial on top of the battery turns on the extra booster battery. A distinctive "click" indicates that the Interstate X2 Booster battery is engaged. The X2 Booster is easy to install and safe to use. It's powerful enough to simplify any driver's problems, such as dead batteries and cold weather. *Interstate Battery System of America.*

Circle 213 on Inquiry Card

GAS PRICES

City	UNLEADED GAS Cost Per Gallon Full-Serve	Self-Serve
Mobile, AL	141.6 ¢	104.7 ¢
Whittier, CA	140.6	97.2
Jacksonville, FL	148.2	101.9
Augusta, GA	133.4	94.4
Chicago, IL	152.9	118.6
Grand Rapids, MI	126.4	104.4
Bismarck, ND	141.9	115.9
Santa Fe, NM	135.9	111.6
Oklahoma City, OK	134.2	101.9
Union Town, PA	117.0	93.9
Spartanburg, SC	126.4	96.9
San Antonio, TX	131.6	98.9
Ogden, UT	109.4	95.4
Tacoma, WA	155.6	104.9

The average U.S. full-serve gasoline price for the month of May was 128.9 cents per gallon.
The average U.S. self-serve gasoline price for the month of May was 106.7 cents per gallon.
Survey conducted during the first five working days of May 1990.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.



Circle 145 on Inquiry Card

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1990

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

The Fleet Manager's Future?

Fleet Management Software

How Small Fleets Manage

1991 Fleet Programs

Wheels' Cellular Program

Truck Lifecycle Costing

Service Body Comparison

automotive
FLEET®

BOBIT PUBLISHING

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

July 1990
VOL. 29,NO. 9

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.

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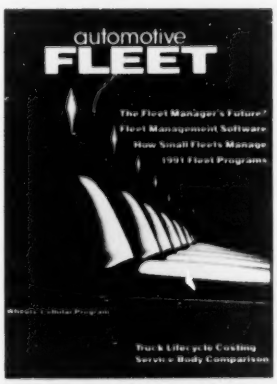

On the cover: Wheels' new cellular phone program is illustrated on this month's cover. The program is detailed in a report beginning on page 20. Art is courtesy of Wheels, from its "Add Sales Power Without Adding Salespeople" brochure.

20 **New Cellular Program Aims to Increase Sales Power**
Wheels introduced a national cellular phone program to fleets in April, 1990. AF profiles how this innovative program will operate.

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More fleets are discovering that cellular phones can increase productivity and revenue.

30 **Time Constraints Challenge Part-Time Fleet Managers**
Part-time fleet managers face unique challenges in their positions. Three part-timers discuss how they administer their fleets.

36 **1991-Model Year Fleet Programs**
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By concentrating on 500-unit and smaller fleets, World Omni Leasing's portfolio ranks it as the nation's 11th largest lessor.

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Investing in fleet-specific software to automate fleet administration can increase productivity and reduce operating costs.

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Mobile car and truck service for corporate fleets can reduce repair costs over time.

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A Business Driver *magazine survey finds that vehicle and option upgrades will increase employee resale and minimize holding costs.*

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Effective cost control begins with vehicle ordering.

80 **What's New In Pickup Service Bodies**
A look at what five service body manufacturers are offering to fleets.

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Cellular Phones Ring Productivity For Fleets

No longer considered luxuries for executives, cellular phones are steadily making their way onto equipment option lists of fleets. Studies show that cellular phones lead to increased productivity.

Three years ago, Consolidated Freightways, headquartered in Palo Alto, CA, decided to equip its fleet cars with cellular phones. At the time, mobile phones were beginning to be recognized by fleets as time-saving assets and Consolidated Freightways wanted to see what effect they would have on its drivers.

"The main reason we got cellular phones was to increase the productivity of our account managers," says Cliff Allen, junior communications analyst for Consolidated Freightways who oversees the company's cellular phone program.

To measure the level of increased productivity, Consolidated Freightways conducted a six-month study in 1988 that showed cellular phones increased available work time by 500 minutes per month per driver. Calculated into yearly figures, each account manager for Consolidated Freightways gained an additional 100 hours of work time due to cellular phones.

In today's marketplace, cellular phones are no longer considered luxuries. Rather, they are looked upon as vital business tools. More fleets are equipping drivers with cellular phones in hopes of turning wasted driving time into productive work time.

At the end of 1989, the number of cellular phone subscribers grew to 3,508,944. Industry experts predict over five million people will have cellular phones by the end of 1990.

According to *Cellular Marketing* magazine's 1989 Cellular Users Survey, 81 percent of the 2,000 respondents said business productivity was the biggest influence in the purchase of a cellular telephone. Approximately 91 percent of the respondents said cellular phones had increased their productivity. (See Figure 1.)

Fleet Costs

Fleets without cellular phones usually are concerned about costs and phone abuse by employees, according to Hershel Shosteck, president of Hershel Shosteck Associates, Ltd., a firm of international telecommunication economists focusing on the cellular market. However, there are preventive measures.

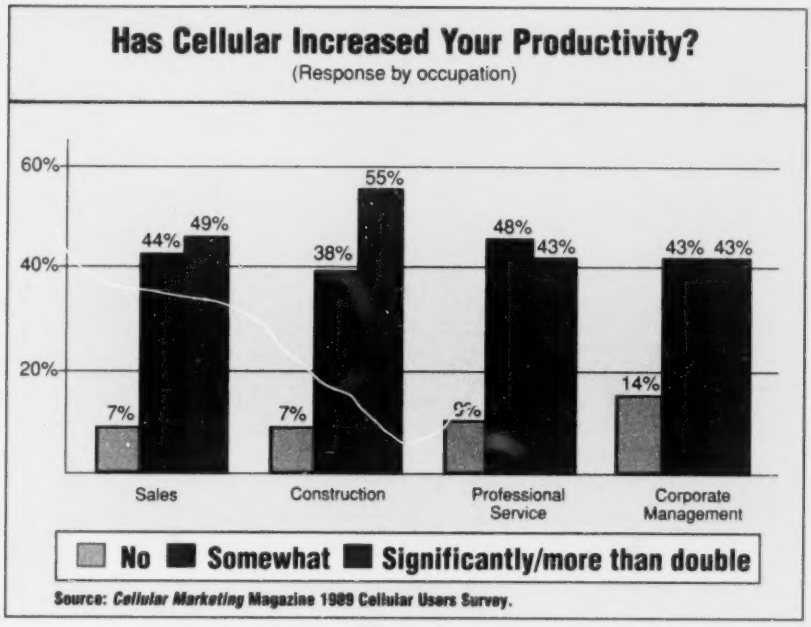


Figure 1

"Many fleet managers grant their salespeople a given limit that the company will pay," he says. "Anything over the limit, the user pays."

Shosteck recommends a minimum monthly limit of $150 per driver, and says that good salespeople won't mind paying for additional usage because they will make up for the expense in increased sales commissions.

Shosteck also says that fleets which install phones in all cars often qualify for fleet cellular discount rates, discounts for airtime, and a centralized payment option.

In addition, because the phones will be used in business settings, Shosteck recommends that fleets use quality equipment to get the clearest reception.

The Cellular Boom

From 1984 to 1989, the number of cellular subscribers in the United States grew from 91,600 to 3,508,944. Industry experts predict that by the end of 1990, more than five million people in the U.S. will have cellular phones.

A primary reason behind the growth of cellular phone usage appears to be reduced equipment prices. In past years, only upper-level executives had car phones. Today, most salespeople would be dead without them.

"The key factor driving subscriber growth has been the decline in the costs of owning and using a cellular telephone," says Shosteck. "When the cost of the phone, service, and the effect of inflation are all considered, the cost of owning and using a cellular phone in June, 1989, was 51.1 percent of the cost in October, 1983, when commercial cellular service began."

One consequence of the decreasing cost of cellular phones has been the increased growth rate of subscribers. According to figures released by the Cellular Telecommunications Industry Association (CTIA), an average of 133,000 new subscribers were added each month in the second half of 1989, compared to 110,000 per month in the first half of 1989.

Digital vs. Analog Systems

Due to the rapid growth of the cellular industry, the airwaves are becoming increasingly crowded. For example, cellular callers in Los Angeles and New York must sometimes wait several minutes for a dial tone.

"There are certain downtown areas or heavily-traveled highways where usage is so high at rush hour that calls just get blocked," says Gregory Voight, chief of the Federal Communications Commission's Mobile Services Bureau.

The cellular industry hopes that a switch to digital technology will alleviate the crowded airways, reduce costs, and encourage continued growth.

Full-digital systems, which will be compatible with existing analog cellular phones, are expected to increase airwave utilization six to seven times over today's equipment. These systems will transmit voices in a series of pulses instead of the continuous radio waves that are carried now by radio transceivers. As a result, the digital systems will enable a cellular system to compress more voice conversations on a single channel.

At the same time, digital systems are expected to continue the trend of reducing operating costs. Experts say the greater capacity of the digital systems should produce lower costs on a per-channel basis by 10 to 15 percent. In addition, the digital technology will boost data transmission speeds.

Digital systems now being installed in Los Angeles and New York are expected to be on-line by early 1991. The rest of the country should get the technology within the next five years.

Cellular Safety

Despite the many advantages, many fleet managers are concerned with the safety risks involved with cellular phone usage. The concern is that phone calls can sometimes distract a driver from paying attention to the road. However, some cellular industry analysts argue that using a phone is similar to changing a radio station. A study conducted by AT&T, Bell American Mobile Systems, and

the Potomac Division of the American Automobile Association concluded that cellular phones are not a serious threat to vehicle safety.

Technology also is contributing to the development of cellular safety features. Many cellular phones offer speakers, memory dialing, and voice-activated answering which allow a driver to watch the road and keep both hands on the steering wheel while using the cellular phone.

"All Consolidated Freightways' vehicles are equipped with phones that offer hands-free service," says Allen. "Also, we tell our drivers that cellular calls shouldn't last more than four minutes."

In addition, Consolidated Freightways sends its cellular users a training tape on how to properly use the mobile phones.

Equipment Options

Cellular phones are available in three different models: mobile, transportable, and portable. Mobile phones have a permanently mounted cradle and transceiver and only operate while in the vehicle. The larger transportable models can be used either in the car or can be removed from the vehicle. Portable phones, can be carried in a briefcase or suit pocket.

Auto manufacturers also are starting to recognize the demand for cellular phones. Chrysler Motors launched a cellular phone system in March, 1990 called "Visorphone." The system is available in selected 1990-model Chrysler and Dodge vehicles through participating dealers in California. The program is expected to be available nationwide by the end of 1990.

Developed exclusively for Chrysler by Cartell, Inc., and OKI Telecom, the "Visorphone" is integrated into the car's sun visor, where it is unobtrusive. The unit features a 100-number memory, one-touch dialing, and hands-free operation.

"Chrysler is providing the car buyer with an integrated system of unique phone hardware, installation, airtime purchase, and activation, all handled through the car dealership, like any other equipment option," says Steven Bruyn, manager of Chrysler's cellular phone programs.

Cellular Safety Features

1. Hands-free Operation: The user can hold a conversation while the phone is in the cradle.

2. Memory: Telephone numbers can be stored and recalled with the touch of a button. This prevents having to dial numbers while driving.

3. Auto Redial: Automatically redials a busy or no-answer number at fixed intervals.

4. Voice Activation: Calls can be placed when the user speaks the name of the party being called. Also, it allows a user to answer calls while the phone is still in the cradle without removing hands from the steering wheel or eyes from the road.

5. Electronic Lock: A user can prevent unauthorized use of the phone by keying in a special code.

6. Audio Muting: Automatically turns off the radio when the phone rings.

7. Microphone Mute: A user can converse with another person in the vehicle without being overheard by the party dialed.

8. Alphanumeric Capability: Names, addresses, or related information can be stored along with telephone numbers. This eliminates having to remember numbers.

9. On/Off Button: Gives the user the option on when to receive calls. Also, it prevents distractions when a driver wants to be undisturbed.

10. Volume Controls: Allows the user to control the volume of the ringer, earpiece, and speaker.

Ford Motor Co. announced the Ford Cellular System in June, 1990. The system includes factory-installed phones on the Lincoln Town Car, Continental, and Mark VII, as well as access to a national carrier airtime network.

"Our decision to introduce the Ford Cellular System was based on several key factors," says Frank Macher, general manager of Ford's Electronics Division. "These included the strong growth of the cellular industry, as well as the results of customer research indicating high levels of satisfaction with cellular phones."

Since the phones are factory installed, subscribers can begin using the equipment immediately because dealers will be able to activate the phones prior to customer delivery.

Standard operating features of Ford's cellular program include such safety devices as hands-free operation, audio mute, and an omni-directional microphone which allows everyone in the vehicle to participate in the call. Other features include: super-speed dialing, last number recall, and electronic voice control.

Cellular Service

Once a car phone is purchased, users must contract with a service company to provide airtime. Because most cities have more than one company providing service, it's advisable to shop around and inquire about each company's service and price.

People familiar with the industry suggest cellular users also inquire about "dead spots" — areas blocked by mountains or buildings that interrupt phone service.

In addition, before deciding on a service company, read the fine print on how charges are made. One system may charge for a full minute even if the call was only 15 seconds. A common cellular industry practice is to charge in tenths-of-a-minute, which can be a cost-saving benefit to fleets. AF

Survey Finds 'Upgrades' May Spur Employee Sales

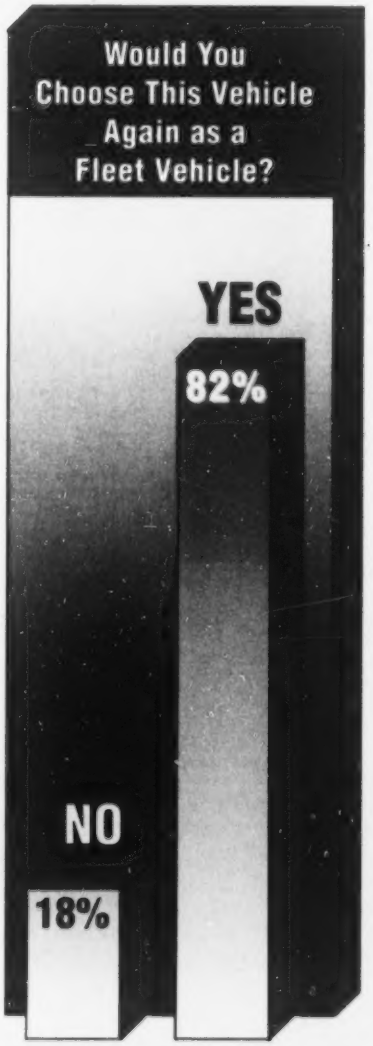
How do you minimize fleet holding costs? The answer, according to a Business Driver *survey, is to allow drivers to pay for vehicle and option upgrades, which is the first step toward more employee sales at higher returns.*

Company drivers say if you give them a choice of cars — those with styling, dependability, and comfort — and the opportunity to buy vehicle and option upgrades, then they will probably purchase the vehicle later when it's retired from operations, thereby reducing fleet holding costs.

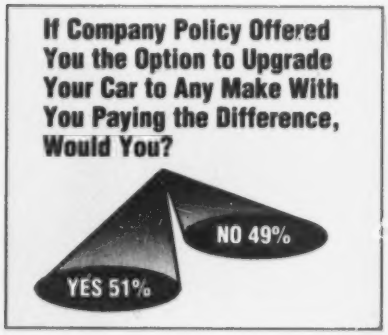
That was the conclusion from a recent survey of the readers *of Business Driver* magazine — *Automotive Fleet*'s sister publication. The study confirms some driver attitudes which have been previously known to fleet managers, however, the results of the study — a sampling of 1,000 drivers — were punctuated with contradictory responses.

The study showed despite losing an estimated 17 hours of work time repairing their vehicles an average of three times in the first year, that drivers remained loyal to their vehicle brand/model and would select the same vehicle again. More importantly, however, drivers indicated they were only marginally interested in purchasing those same vehicles at time of disposal.

To fleet management, such an attitude represents an actual dollar loss, because the bulk of existing research shows employee sales represent the highest return at resale — heavily outweighing all other methods, including auctions, wholesale brokers, and trade-ins.



The reason why drivers shy away from employee sales is found in answers to question No. 8 (of nine in the survey). This question focused on the key issue which links the interests of the driver with management. The question read:



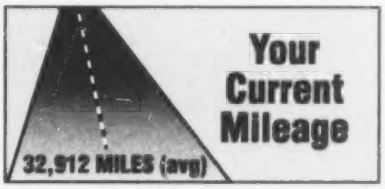
"If the company policy offered you the option to upgrade your car to any make with you paying the difference, would you?"

Of the drivers responding, 51 percent said "Yes" and 49 percent said "No." In other words, about half the drivers surveyed, in effect, wanted to take the first step toward purchasing the vehicle through an employee sale, but management had failed to give them incentive to do so.

What that means is an upgrade to a better vehicle — with the driver's

financial participation — inextricably links the financial commitment of the driver with that vehicle. As a result of the driver's vested, monetary interest in the vehicle, fleet management is virtually assured that the driver will later give serious consideration to purchasing the vehicle.

The message to fleet management is this: while the downtime of certain vehicles may be costly, if upgrades are allowed this will eventually lead to reduced depreciation



expense and higher driver morale.

Indirectly, the feedback from drivers in this survey relates to a current, hotly-debated, industry-wide issue: option packaging versus free-flow.

Drivers' Choices

Question No.2 asked:

"What were the reasons you chose the fleet vehicle that you are currently driving?"

Respondents were asked to check off contributing factors in 15 areas, and their reasons ran the gamut of possibilities.

Following are the complete responses to this question:

- Styling (41.3 percent)
- Dependability (39 percent)
- Comfort/convenience (37 percent)
- Performance (36.6 percent)
- Options available (33.5 percent)
- Prior experience with vehicle (24.8 percent)
- Quality (22.6 percent)
- Durability (22.3 percent)
- Plan to buy later (18.3 percent)
- Other (18.3 percent)
- Fuel Economy (17.3 percent)
- Vehicle image/status (15.3 percent)
- Safety features (14.4 percent)
- Mfg. image/status (13.8)
- Prior experience with manufacturer. (13.8 percent)

Clearly, one-third of all answers to this question involved option preference. But the path to increasing employee sales cannot be boiled down to simply ordering vehicles with options that drivers prefer, because:

— Management often is unable to justify the additional cost.

— Or, purchase of the driver-desired options involves more than one additional package which is unsuitable for company purposes.

Supporting Research

A recent *Automotive Fleet* survey (June, 1990) found that 58 percent of fleet managers were not allowed to deviate from option packaging by manufacturers. More importantly, 85 percent of those surveyed by *Automotive Fleet* said they preferred free-flow packaging.

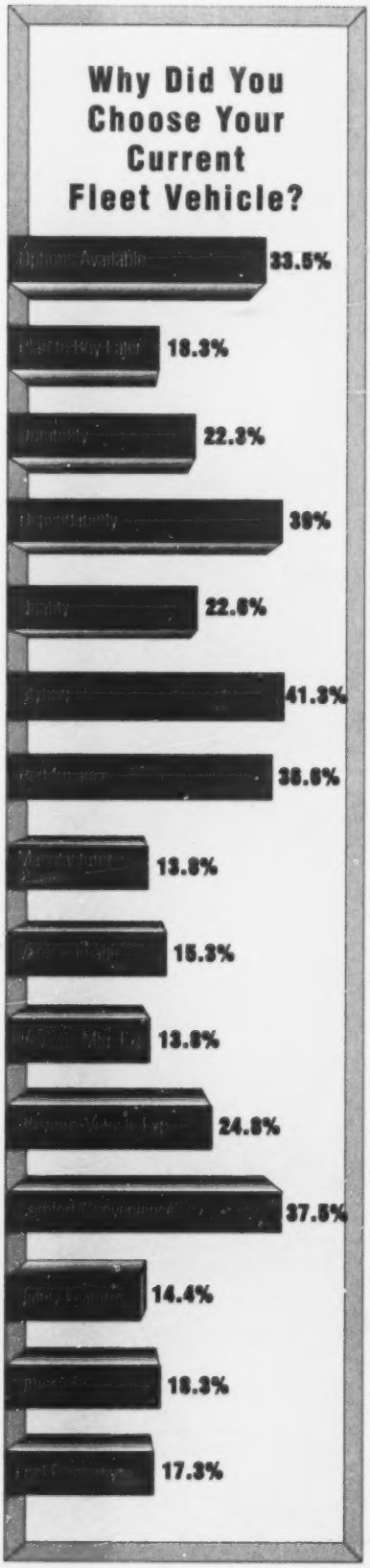
When the results of the two surveys are viewed together, the clear implication is fleet managers want to move in a direction of free-flow option ordering — which would help to increase employee sales at time of disposal. But until the option packaging issue is resolved, it is apparent that the employee sales' issue will also remain uncertain.

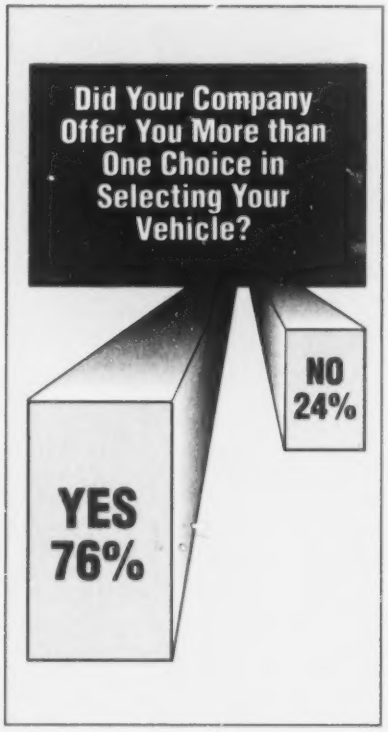
Vehicle Selectors

Other company driver responses to the *Business Driver* survey proved interesting as well.

In response to question No.1 — Did your company offer you more than one choice in selecting your vehicle? — an overwhelming majority (76 percent) answered "Yes," as opposed to 24 percent who answered "No," indicating, among those responding, that broad selectors are still more prevalent among fleets than one-car, one-model selectors. The "nay" answers, however, were surprising, because it had been previously thought that mainly only government/utility fleets used one-car, one-model selectors.

Questions No. 4 and No. 5 cov-



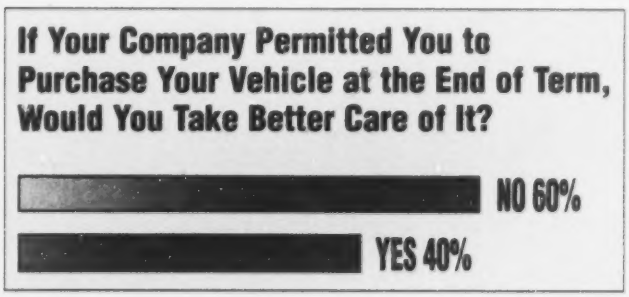


ered use and mileage patterns, revealing that the responding business drivers had been driving their current vehicle an average of 13 months and their current mileage on that vehicle averaged 32,912.

In question No. 7 — "Your estimate on hours of lost time for those non-accident-related repairs?" — respondents said they lost an aggregate of 10,122 hours to such repairs, or, an average of 17 hours apiece.

One of the most clear-cut responses was found in the drivers' collective answers to the final question, No. 9:

"If your company policy permitted you to purchase the vehicle at the end of the term, would you take better care of it?"



To that, 40 percent of the drivers replied, "Yes," while 60 percent said, "No."

Are Drivers Happy?

Answers to four, key questions in the *Business Driver* survey indicated that there is a sizable minority of company drivers who are less than thrilled with the current practices involved in selecting company vehicles — because the results of these practices impact them directly.

For example, in question No. 1, 24 percent said they had no choice in vehicle selection; in question No. 3, 18 percent said they disliked the company vehicle they were driving and would choose another if given the chance; and in question No. 8, 51 percent said they would pay for upgrades if given an opportunity.

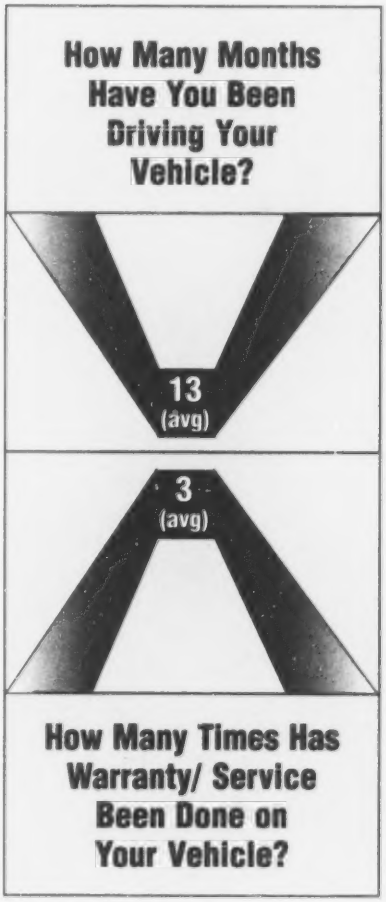
Drivers Want Choices

What is the significance of this observation? Drivers prefer to have a choice of cars. Certainly, fleet managers reflect this need for choices — as borne out by *Automotive Fleet's* June survey of fleet managers representing the Top 200 largest fleets in America.

The primary conclusion drawn from the *AF* survey was fleet managers want choices with respect to equipment option ordering.

Moreover, the fleet managers' desire for option-ordering choices has not weakened with time.

At the April NAFA convention in Houston, TX, keynote speaker Robert Stempel, General Motors president and chief operating officer, was confronted with questions from the audience about whether General Motors would go to free-flow option ordering in the near future. Stempel said GM was undecided, but the automaker would "work with fleet managers."



Driver Preference

Satisfying company drivers' preference is emerging as a factor, among fleet managers in their vehicle selection.

For the first time in the past six years that NAFA has conducted its "New Vehicle Acquisition Survey," driver preference was included in 1990 as a new factor.

Such a change indicates companies are becoming more cognizant of the importance of the company car in achieving higher productivity through higher driver morale.

The second part of the equation — allowing drivers to participate in the financial investment of fleet vehicles — has far reaching positive implications which can only lead to increased driver satisfaction and greater company profits through employee sales. AF

USED-CAR PRICES

The following are average used-car prices for the period ending June 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of *Automotive Market Report*.

88 BUICK SKYHAWK			
Coupe	5,400	5,451	5,290
Sedan	5,474	5,527	5,368
87 BUICK SKYHAWK			
Cust Coupe	4,378	4,420	4,288
Cust Sedan	4,446	4,487	4,355
88 BUICK SKYLARK			
Cust Sedan	6,490	6,558	6,363
87 BUICK SKYLARK			
Cust Sedan	5,416	5,468	5,307
88 BUICK CENTURY			
Cust Sedan	6,446	6,513	6,320
87 BUICK CENTURY			
Cust Sedan	5,376	5,430	5,267
88 BUICK LE SABRE			
Cust Sedan	8,435	8,519	8,268
87 BUICK LE SABRE			
Cust Sedan	7,061	7,133	6,921
88 CADILLAC DE VILLE			
Coupe	13,927	14,065	13,646
Sedan	14,089	14,229	13,807
87 CADILLAC DE VILLE			
Coupe	11,143	11,257	10,924
Sedan	11,282	11,396	11,055
88 CADILLAC SEVILLE			
Sedan	14,846	14,995	14,550
87 CADILLAC SEVILLE			
Sedan	12,186	12,309	11,945
88 CHEVY BERETTA			
Coupe	6,287	6,350	6,163
88 CHEVY CORSICA			
Sedan	5,899	5,961	5,785
87 CHEVY BERETTA			
Coupe	4,914	4,964	4,818
87 CHEVY CORSICA			
Sedan	4,531	4,579	4,442
88 CHEVY CAVALIER			
Sedan	5,250	5,304	5,146
87 CHEVY CAVALIER			
Sedan	3,987	4,028	3,908
88 CHEVY CELEBRITY			
Sedan	6,038	6,099	5,917
87 CHEVY CELEBRITY			
Sedan	4,811	4,859	4,716
88 CHEVY CAPRICE			
Sedan	6,793	6,860	6,658
87 CHEVY CAPRICE			
Sedan	5,513	5,566	5,400
88 CHRYSLER NEW YORKER			
Sedan	9,922	10,022	9,724
87 CHRYSLER NEW YORKER			
Sedan	6,954	7,021	6,812
88 CHRYSLER FIFTH AVENUE			
Sedan	9,655	9,751	9,464
87 CHRYSLER FIFTH AVENUE			
Sedan	7,630	7,704	7,476
88 DODGE ARIES AMERICA			
Sedan	4,781	4,826	4,685
87 DODGE ARIES			
Sedan	3,790	3,828	3,714
88 DODGE SHADOW			
Liftbk 5 Dr	5,105	5,156	5,005
87 DODGE SHADOW			
Liftbk 4 Dr	4,172	4,213	4,086
88 DODGE DYNASTY			
Sedan	7,673	7,752	7,519
88 FORD ESCORT			
Htchbk 4 Dr GL	4,327	4,371	4,240
87 FORD ESCORT			
Htchbk 4 Dr GL	3,374	3,409	3,306
88 FORD MUSTANG			
LX-4 Coupe	5,949	6,010	5,829
87 FORD MUSTANG			
LX-4 Coupe	4,834	4,884	4,741
88 FORD TEMPO			
GL Sedan 4 Dr	5,310	5,363	5,202
87 FORD TEMPO			
GL Sedan 4 Dr	4,177	4,221	4,094
88 FORD TAURUS			
GL Sedan 4 Dr	6,841	6,910	6,706
87 FORD TAURUS			
GL Sedan 4 Dr	5,617	5,674	5,505
88 FORD CROWN VICTORIA			
Sedan	9,007	9,096	8,826
87 FORD CROWN VICTORIA			
Sedan	7,482	7,558	7,333
88 THUNDERBIRD			
Coupe	8,062	8,142	7,900
87 THUNDERBIRD			
Coupe	6,675	6,743	6,540
88 LINCOLN			
Town Car Sedan	13,730	13,869	13,455
Mark VII LSC Coupe	15,190	15,341	14,886
Continental Sedan	16,737	16,903	16,403
87 LINCOLN			
Town Car Sedan	11,354	11,465	11,126
Mark VII LSC Coupe	12,846	12,976	12,590
Continental Sedan	12,210	12,333	11,967
88 MAZDA 626			
LX Sedan 4 Dr	8,043	8,123	7,883
88 MERCURY COUGAR			
LS Coupe	8,513	8,599	8,343
87 MERCURY COUGAR			
LS Coupe	7,073	7,144	6,931
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,395	5,447	5,286
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,186	4,229	4,103
88 MERCURY SABLE			
GS Sedan	6,939	7,007	6,798
87 MERCURY SABLE			
GS Sedan	5,645	5,704	5,533
88 MERCURY GRAND MARQUIS			
Sedan	9,644	9,741	9,451
87 MERCURY GRAND MARQUIS			
Sedan	8,123	8,202	7,959
88 MITSUBISHI MIRAGE			
Sedan	4,285	4,328	4,199
87 MITSUBISHI MIRAGE			
Sedan	3,080	3,111	3,018
88 NISSAN SENTRA			
Sedan 2 Dr	4,136	4,178	4,053
88 NISSAN STANZA			
E Ntch 4 Dr	6,680	6,746	6,546
88 NISSAN MAXIMA			
SE Sedan	10,563	10,668	10,351
87 NISSAN SENTRA			
Sedan 2 Dr	3,375	3,408	3,307
87 NISSAN STANZA			
E Ntch 4 Dr	5,423	5,476	5,315
87 NISSAN MAXIMA			
SE Sedan	8,206	8,290	8,040
88 OLDS CALAIS			
Sedan	6,419	6,480	6,291
87 OLDS CALAIS			
Sedan	5,423	5,475	5,313
88 OLDS CIERA			
Coupe	6,379	6,442	6,251
Sedan	6,446	6,513	6,320
87 OLDS CIERA			
S Coupe	5,363	5,415	5,253
Sedan	5,423	5,477	5,315
88 OLDS CUTLASS SUPREME			
Coupe	7,473	7,550	7,325
87 OLDS CUTLASS SUPREME			
Coupe	6,290	6,355	6,164
Sedan	6,290	6,355	6,164
88 OLDS 98 REGENCY			
Sedan	9,964	10,061	9,762
87 OLDS 98 REGENCY			
Sedan	8,275	8,358	8,109
88 PLYMOUTH RELIANT			
Sedan	4,805	4,852	4,711
87 PLYMOUTH RELIANT			
Sedan	3,807	3,845	3,735
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,101	5,152	5,001
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,154	4,196	4,068
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,163	5,215	5,058
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,135	4,176	4,052
88 PONTIAC SUNBIRD			
SE Coupe	5,371	5,426	5,262
Sedan	5,443	5,495	5,335
87 PONTIAC SUNBIRD			
SE Coupe	4,217	4,260	4,134
Sedan	4,153	4,194	4,071
88 PONTIAC 6000			
Coupe	6,105	6,167	5,985
Sedan	6,174	6,235	6,049
87 PONTIAC 6000			
Coupe	4,916	4,965	4,818
Sedan	4,973	5,024	4,875
88 PONTIAC GRAND AM			
Sedan	6,433	6,497	6,302
87 PONTIAC GRAND AM			
Sedan	5,681	5,738	5,568
88 PONTIAC BONNEVILLE			
Sedan	8,457	8,543	8,289
87 PONTIAC BONNEVILLE			
Sedan	7,696	7,772	7,541
88 PONTIAC GRAND PRIX			
Coupe	7,787	7,866	7,636
87 PONTIAC GRAND PRIX			
Coupe	6,416	6,479	6,287
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,203	6,266	6,080
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,086	8,166	7,925
88 TOYOTA CRESSIDA			
Lux Sedan	12,577	12,702	12,326
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	4,781	4,829	4,687
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	6,862	6,930	6,724
87 TOYOTA CRESSIDA			
Lux Sedan	10,292	10,396	10,036
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,553	6,619	6,422
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,272	5,325	5,166
88 VOLVO			
240 DL Sedan	11,433	11,545	11,204
87 VOLVO			
240 DL Sedan	9,381	9,476	9,194

PRODUCTS

ELIMINATE ROADSIDE TIRE CHANGES with the Quickwheel Flat Tire Cradle. Quickwheel is designed to assume the rolling function of a disabled tire while enabling motorists to avoid the inconvenience, potential hazards, strenuous labor, and general "dirty work" typically involved with roadside tire repairs. The tire cradle is attached in a simple, four-step procedure. The motorist unfolds the unit's loading ramp, positions it directly in front of the flat tire, and drives onto the unit, which automatically locks the tire and car wheel in place. Finally, the motorist secures the cradle's security cable around the disabled tire, and resumes driving. Its three heavy-duty riding wheels operate as the car's fourth wheel with no noticeable change in the vehicle's braking or steering performance. *Quintech Products.*

Circle 222 on Inquiry Card

GAS PRICES

UNLEADED GAS
Cost Per Gallon

City	Full-Serve	Self-Serve
Montgomery, AL	134.9 ¢	111.6 ¢
Flagstaff, AZ	159.9	118.6
Los Angeles, CA	137.3	108.7
Washington, D.C.	146.3	114.5
Tampa, FL	141.2	109.2
Honolulu, HI	180.1	137.2
Rockford, IL	139.5	114.6
Boston, MA	119.4	106.7
Omaha, NE	146.9	123.2
Reno, NV	133.9	110.6
Staten Island, NY	125.4	116.9
Oil City, PA	110.9	99.4
Sioux Falls, SD	143.4	118.9
Abilene, TX	133.0	113.4
Seattle, WA	147.7	110.3

The average U.S. full-serve gasoline price for the month of June was 131.2 cents per gallon.
The average U.S. self-serve gasoline price for the month of June was 110.3 cents per gallon.
Survey conducted during the first five working days of June 1990
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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a JMFE Company

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august 1990

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

'91 Sneak Preview
Lessors Going Global
'91 Lessor Selectors
Truck Spec'ing Made Easy

Hal Barton, general manager, Chrysler Fleet Operations with the 1991 Dodge Shadow Convertible and Plymouth Voyager

automotive
FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

August 1990
VOL. 29, NO. 10

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.

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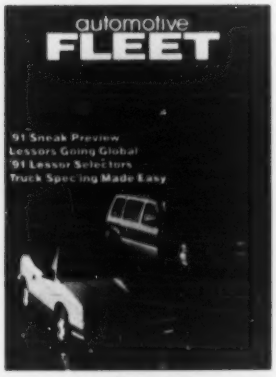

On the cover: Hal Barton, general manager, fleet operations for Chrysler, stands before the 1991 Plymouth Voyager and Dodge Shadow convertible. Our 1991 sneak preview begins on p. 32.

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Reflective strips with high candlepower can brighten fleet vehicles at night and reduce possible accidents.

86 **The Challenges Of Managing A High-Tech Fleet**
A profile of how Siemens Corp. operates its 7,000 U.S.-based vehicles.

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U.S.-Based Vehicle Lessors Plan for Global Expansion

Because of economic and political changes in Europe, U.S. companies with foreign subsidiaries are pulling American lessors overseas. This turn of events will soon require U.S. fleet managers to think globally and act locally.

What happens in 1992? That's the 500th anniversary of Christopher Columbus' discovery of the New World, and the year Spain will host the Summer Olympics.

It is also the year that all the barriers in the European Economic Community (EEC) will come down, making trade, for instance, between England and the new Germany as easy as the commerce that passes from New Jersey to Pennsylvania.

This historic event will create a single, integrated market of about 320 million new customers. Price levels are expected to drop by six percent. EEC-member trade is expected to rise 10 percent. Five million new jobs will be created.

And more vehicles will be needed.

This fact has not escaped the strategic market planning of U.S.-based vehicle lessors. For many of them, 1992 is the target date to have expanded international operations in place — the time to be "global" in their thinking and capability. For others — unfamiliar with the nuances of foreign trade — 1992 will mark their first cautious steps into the global vehicle leasing marketplace.

MARKET PENETRATION

What Percentage Of Your Foreign Leases Involve Companies Which Are...

	U.S.-Based Vehicle Lessors						
	1	2	3	4	5	6	7
American	15%	100%	0	100%	24%	15%	5%
European	80%	0	0	0	66%	0	95%
Asian	0	0	0	0	7%	0	0
Other	5%	0	100%	0	0	85%	0

*NOTE: Three of the U.S.-based lessors surveyed are not engaged in overseas vehicle/management operations.

Global Leasing Survey

Consequently, *Automotive Fleet* thought it appropriate to poll the nation's top lessors, asking about their capabilities, global business plans, and, for their observations on the trickle-down effect that global vehicle leasing will surely have on the fleet managers of American-based companies.

The questions were answered by the top executives at each company — senior vice presidents, presidents, and, (in one case) the chairman of the board of directors. Because of the sensitive nature of the information, specific business strategies cannot be revealed, but the general response of these executives demonstrates that vehicle leasing has embarked on a historic course which will have lasting — and logically — positive effects on the structure and status of American vehicle leasing companies.

Observed Automotive Rentals, Inc., Senior Vice President Kenneth Baittinger:

"Obviously, all the manufacturers are working toward global production and marketing of vehicles. I wouldn't be surprised — but I can't

give you a time frame, because that's a crystal ball kind of thing to see the manufacturers, maybe even fleets and leasing companies, negotiating quotas on a worldwide basis for the production of vehicles, particularly in Europe.

"We've had some conversations to that effect already."

Survey Response Overview

The survey revealed unquestionably that seven out of the nation's Top 10 lessors are now engaged in global vehicle leasing and fleet management. And more importantly, the majority of those lessors have already penetrated foreign fleet markets.

The latter is a significant point, for while some companies claim to have an international presence, it is important to note whether their foreign operations consist of vehicle leasing with American companies — or with foreign companies on foreign soil. The survey showed only two American lessors rely 100 percent on American lessee business in foreign-based operations, while the remaining five that are active in the global market only rely on foreign-based American companies for five to 24 percent of their business.

Interestingly, this global penetration of the vehicle lease market has succeeded despite obstacles. Asked what the greatest barrier is to international market entry for U.S.-based lessors of vehicles and fleet management services, the respondents (restricted to one choice) ranked cultural differences first (four selections), followed by problems with business connections, bureaucratic red tape, and recruiting local employees (each with two selections).

While their success in penetrating the global market indicates a high level of knowledge and international business acumen, some of the American vehicle lessors have accomplished much with great persistence and, initially, very little savvy about the global vehicle leasing marketplace.

The lessors were asked to rank their company's current *general* level of expertise/knowledge of foreign markets on a scale of one to five (five being best). Three of the 10 rated themselves a "five," while another which had recorded significant strides in the global market gave itself a "four" (reasoning that no company deserves a perfect "five"). Others rated themselves a "three" (one), "two" (two), and the three not yet in the global market rated themselves at "one."

Kenneth Baittinger, senior vice president, ARI

"I wouldn't be surprised . . . (seeing) even fleets and leasing companies negotiating quotas on a worldwide basis. . ."

Growth Expansion

Are U.S.-based vehicle lessors simply taking advantage of investment opportunities to make some quick, easy profits? The answer is "No."

While there is certainly the opportunity for investment growth in the global vehicle leasing market, American lessors admit privately that foreign operations yield no fast financial bonanzas. In fact, the top executives at the surveyed companies said the reverse is true: one cited the example of a foreign subsidiary which lost money for eight years before its books went out of the red and into the black; and another said it had its "brains kicked in" financially on two separate foreign ventures.

Why, then, do American lessors persist in trying to penetrate the global markets? American lessors view the U.S. market as not only "mature," but also one that is highly competitive with narrow profit margins. They hold a contrary view of global markets, particularly Europe — which they term "immature" and offering much potential.

This global market potential for them breaks down into two areas. The first involves vehicle leasing and financing. Vehicle lease funding is already well-established in Europe, but while Ford, Renault, and Deutsche Bank routinely fund vehicle leases, they experience some difficulty in controlling these assets (vehicles). As a result, U.S.-based lessors perceive fleet management services as the major opportunity for global vehicle leasing — a chance to apply their proven management techniques, particularly, maintenance, administration, and cost controls.

Potential in Fleet Management

For that reason, half of the U.S.-based vehicle lessors surveyed maintain sales/service offices outside of America. In addition, three of those five have signed clients to fleet management service contracts under: their lease, another lease, ownership, and other methods.

More significantly, the three U.S.-based lessors which are *not* currently in the global marketplace said if asked to recommend a focus on a foreign leasing business venture with the *most promising future*, they would recommend their companies target supplying fleet management services. Not only that, but two other companies already involved in global vehicle leasing/financing indicated that they would make similar recommendations on their companies' future focus.

The Extent of U.S. Interests

The seven American vehicle lessor companies currently doing foreign business gave a survey breakdown by country as follows: Canada (seven),

England (four), France (three), and one each in categories of Australia, Japan, Netherlands, and "other" locations.

The extent of their involvement in foreign markets is significant. Of the seven players in the global market, three have major stakes with their reported numbers of leased vehicles pegged at 42,000, 60,000, and 80,000. Of those which manage foreign-based fleets, one lessor said it managed "more than 500 foreign fleets." Another set the figure at "more than 1,000."

The U.S.-based lessors also indicated what countries are the *most attractive* as future markets, with the top four choices listed as Canada and East/West Germany (both at seven), England (six), and France (five). Japan and the Netherlands each rated four choices, followed by Australia and Spain (two apiece), and one choice each for Italy, Korea, and the general Pacific Rim area.

Notably, the attention of U.S.-based vehicle lessors seems to be only directed at the European continent, not at Asia and Australia, both of which are frequently talked about as areas of opportunity. The reason is economic growth in those areas is comparatively slow.

Economic growth forecasts for 1991 for Japan are set at 4.3 percent; Australia's is two percent. Just the same, in less than two years one U.S.-based lessor operating in Australia has joint venture funding of about 1,200 fleet vehicles, and is expecting to open two additional sales/service offices for a total of four in 1991.

Cultural differences with Pacific Rim countries, however, deter most U.S.-based lessors from the region. But one of the oldest players (26 years) in the Pacific Rim is redirecting its efforts at Europe. Said a company spokesman:

"Today, the focus is in Europe."

Impact to U.S. Fleet Managers

As these U.S.-based companies expand into foreign markets—particularly, Western and Eastern Europe—they are going to need more vehicles to move goods and supply services. At the same time, it is expected there will be increased interest from foreign-based fleets which will seek advice from U.S. lessors on ways to gain greater efficiency in fleet management.

There are four major areas of change from which the lessors expect to see trickle-down effects for American fleet managers:

1). Demand on the subsidiaries and manufacturing arms of U.S. automakers for fleet cars will increase sharply. The EEC and expected unification of East and West Germany are two factors. Moreover, though, Europe is progressive-minded these days, and the only thing which has prevented the complete economic unification of the European continent is resistance from Great Britain Prime Minister Margaret Thatcher to a common currency.

Don Kreft, president, Lease Plan USA

"We're going to start seeing the same vehicles all over the world, and the only difference will be if they're right-hand of left-hand drive."

2). U.S.A. competition in the global marketplace will stiffen with the increasing involvement of automakers in the vehicle funding and distribution network. (Ford owns Ford of Europe, Ford-Werke AG, and now Jaguar, as well as such lessors as Associates and USFL in addition to funding the recent buy-out of Budget. GM owns Opel, Vauxhall, 50 percent of Saab Automobile AB and a percentage of National Car Rental and Avis. Chrysler is funding General Rent-A-Car, and it owns Thrifty, Snappy, Dollar, and part of Mitsubishi Motors.)

3). The manufacturing strategy of U.S. automakers will change with ever-increasing volume demands from foreign fleets. As a result, sales strategies—here and abroad — will change also.

4). "Global cars"—such as Ford's Escort will gain worldwide acceptance. It is not far-fetched, most lessors said, to expect to see such easily-identified, standard fleet cars everywhere.

These changes raise a number of questions for American fleet managers. What will be the possible impact on resale for such ubiquitous global vehicles? Will American automakers adopt the European-style of negotiation for volume purchases? Will U.S.-based lessors and fleet managers piggyback on worldwide, volume deals?

The answers depend — not on whether the U.S. and international marketplace will ultimately coalesce into one, worldwide entity — but how soon the change will occur.

To Don Kreft, president of Lease Plan USA, the full impact of U.S.-based entry into the global market won't be felt until the late 1990s. (Although owned by the Dutch bank ABN, Lease Plan USA is one of the largest U.S. vehicle lessor that is also an international vehicle lessor, said Kreft. Lease Plan's worldwide operations have 115,000 vehicles currently under lease. Consolidation, Kreft said, is the "wave of the future.")

"Why should (international) companies split up into more functions if we get into these global vehicles — if that's what you want to call them? Who knows where cars are made anymore?" asked Kreft rhetorically. "We're going to start seeing the same vehicles all over the world, and the only difference will be if they're right-hand or left-hand drive." AF

Midyear Fleet Registrations

1989- vs.1990-Model Year: The First Six Months

MODEL	1989 Model Year Total	1989 1st 6 Mos MYTD	1990 1st 6 Mos MYTD
SUBCOMPACT			
323	1,767	2,330	1,750
Cavalier	63,357	41,238	32,368
Summit/Colt	1,492	469	99
Escort/Festiva	54,871	36,094	30,386
Fox	2,473	886	189
Firenza	77	67	—
Golf/GTI	1,981	518	244
Horizon	3,028	1,722	3,167
I-Mark	1,113	832	—
Jetta	4,120	1,382	1,290
LeMans	10,249	1,628	2,534
Nova/Geo Prizm	16,111	3,201	26,059
Omni	3,794	2,033	3,582
Precis	1,698	1,688	3,781
Sentra	33,356	22,828	16,044
Skyhawk	2,823	1,642	3
Sprint/Geo Metro	5,467	3,367	13,548
Sunbird	20,881	12,670	24,442
Tercel	11,720	6,992	6,575
Tracer	7,238	3,408	774
Total Subcompact	**247,616**	**144,995**	**166,835**
COMPACT			
200 SX	10,928	5,138	—
Acclaim	24,286	10,022	21,719
Aries	28,326	21,232	187
Cutlass Calais	12,734	7,703	13,339
Conquest	23	8	2
Corolla	38,447	20,818	27,574
Corsica	80,902	30,959	26,725
Eclipse/Cordia	253	295	554
Grand Am	62,620	40,010	31,693
Lancer	494	453	10
Medallion	28	27	—
Mirage 4 DR	8,705	4,580	7,178
Protege	—	—	2,457
Reliant	22,908	17,002	136
Shadow	21,118	14,578	21,524
Skylark	17,246	3,457	16,611
Spirit	23,359	9,763	21,260
Stanza	5,879	1,846	5,275
Subaru (all models)	30,596	21,374	7,751
Sundance	21,308	14,776	16,017
Tempo	79,093	49,741	48,469
Topaz	26,487	14,967	11,813
Vista	164	125	15
Total Compact	**515,904**	**288,874**	**280,309**
INTERMEDIATE			
600	68	55	—
626	3,881	2,400	2,742
6000	27,342	15,396	12,586
Camry	45,238	23,188	25,133
Caravelle	52	35	—
Celebrity	65,523	39,440	4,686
Century	36,219	21,531	18,004
Cutlass Ciera	53,296	30,874	19,850
Dynasty	63,284	37,838	31,573
Galant	4,110	1,501	4,029
LeBaron	583	515	83
LeBaron Convertible	14,258	9,540	7,137
LeBaron Coupe	7,556	5,542	1,549
Lumina	21,891	1,140	45,433
Monaco	—	—	14
Maxima	15,387	6,869	9,701
Monte Carlo	86	76	—
MX-6	2,945	672	999
New Yorker (all models)	24,336	18,984	3,554
Passat	31	—	172
Premier	6,705	1,226	453
Sable	40,040	16,571	18,157
Sigma	219	132	151
Taurus	142,735	73,139	70,794
Volvo 244	2,295	19	1,246
Volvo 245	1,121	20	182
Volvo 744	915	25	299
Total Intermediate	**580,116**	**306,728**	**278,527**
STANDARD			
Bonneville	19,938	10,810	8,491
Caprice	50,509	20,441	23,107
Crown Victoria	35,775	15,158	16,982
Delta 88	19,658	11,164	5,880
Diplomat	4,177	3,870	—
Fifth Avenue M	311	287	23
Fifth Avenue Y	1,462	---	4,571
Gran Fury	3,217	3,221	—
Grand Marquis	12,445	6,275	7,470
LeSabre	21,269	13,109	5,965
Total Standard	**168,761**	**84,335**	**72,489**
LUXURY			
929	2,757	426	980
98 Regency	8,484	4,795	3,082
Allante	696	329	61
Chrysler TC by Maserati	—	—	12
Cimarron	53	48	—
Cressida	4,343	2,612	764
Continental	16,818	8,736	13,412
Corvette	2,778	1,344	300
DeVille/Fleetwood	35,344	19,556	26,788
Eldorado	4,088	2,115	1,108
Electra	11,917	5,293	6,136
Fleetwood Brougham	8,669	5,101	2,946
Imperial	—	—	1,279
Mark VII	4,441	2,093	2,242
Riviera	2,019	964	234
Scorpio/XR4Ti	1,085	681	129
Seville	9,730	5,035	7,074
Town Car	48,836	23,519	25,362
Toronado	868	536	824
Total Luxury	**162,926**	**83,173**	**92,733**
SPORTS/SPECIALTY			
240 SX	8,029	3,603	3,319
300 ZX	3,571	1,206	2,604
Beretta	24,616	12,600	7,538
Cabriolet	1,580	750	371
Camaro	5,018	2,525	531
Celica	6,621	3,558	3,646
Corrado	18	—	161
Cougar	18,691	10,106	7,047
Cutlass Supreme	30,156	16,592	12,736
Daytona	2,265	1,384	939
Fiero	161	150	—
Firebird	2,505	1,291	224
Grand Prix	29,958	19,292	11,907
Laser	236	23	338
Miata	—	—	1,089
MR2	719	360	171
Mustang	43,095	21,276	10,545
Probe	19,748	10,038	9,151
Pulsar NX	1,648	1,062	235
Reatta	2,033	546	1,757
Regal	15,773	9,100	2,045
RX-7	1,897	706	432
Starion	62	51	—
Storm/Spectrum	8,033	3,171	430
Supra	3,004	1,624	587
Talon	—	—	165
Total Sports Specialty	**229,437**	**121,014**	**77,968**
Total Fleet	**1,904,760**	**1,029,119**	**968,861**

Fleet Managers Extending Lease Periods

A recent survey of 236 fleet managers conducted by *Runzheimer Reports On Fleet Management* found that more than a third had either extended lease periods or were planning to do so in an effort to control fixed costs.

Managers who participated in the survey singled out vehicle depreciation and automobile insurance as the fixed cost factors that impact their operations the most. Nearly half (44 percent) said depreciation has the most impact, while over a third (35 percent) picked insurance costs.

"For any fleet manager, the decision of when to replace vehicles is crucial," says Robert Overend, editor. "Replace too soon, and the cost of new vehicles may be prohibitively high. Wait too long, resale value will fall and repair bills will mount."

The survey also found that nearly half of the polled managers have instituted a preventive maintenance program in the past year in an effort to control fixed costs.

Managers trying to maximize resale value are either adding (37 percent) or eliminating (16 percent) accessories. Some are acquiring smaller vehicles, extending replacement cycles, and eliminating high-priced models.

Here's a breakdown on what steps managers in the survey have taken or are planning to take to control costs:

Fleet Managers' Plans To Control Costs

	Have Taken	Plan to Take
Institute preventive maintenance	46%	26%
Add accessories to increase resale	37%	14%
Switch to smaller vehicles	34%	7%
Extend replacement cycle	33%	26%
Eliminate higher price cars	32%	7%
Reduce fleet size	30%	19%
Switch to smaller engines	29%	4%
Tighten vehicle assignment	27%	29%
Cap executive car costs	23%	7%
Extend lease period	21%	14%
Eliminate certain accessories	16%	11%
Upgrade models to reduce depreciation	14%	8%
Purchase extended warranties	13%	12%
Eliminate executive cars	10%	5%
Obtain used cars	8%	2%

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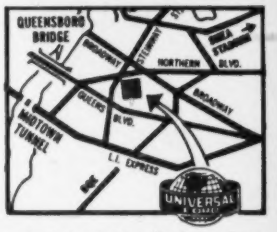

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USED-CAR PRICES

The following are average used-car prices for the period ending July 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of *Automotive Market Report*.

88 BUICK SKYHAWK			
Coupe	5,389	5,440	5,279
Sedan	5,463	5,516	5,357
87 BUICK SKYHAWK			
Cust Coupe	4,365	4,407	4,275
Cust Sedan	4,433	4,473	4,342
88 BUICK SKYLARK			
Cust Sedan	6,452	6,518	6,325
87 BUICK SKYLARK			
Cust Sedan	5,384	5,436	5,275
88 BUICK CENTURY			
Cust Sedan	6,376	6,442	6,251
87 BUICK CENTURY			
Cust Sedan	5,317	5,371	5,209
88 BUICK LESABRE			
Cust Sedan	8,426	8,511	8,259
87 BUICK LESABRE			
Cust Sedan	7,054	7,126	6,914
88 CADILLAC DEVILLE			
Coupe	13,733	13,869	13,456
Sedan	13,893	14,031	13,614
87 CADILLAC DEVILLE			
Coupe	10,977	11,089	10,760
Sedan	11,114	11,226	10,890
88 CADILLAC SEVILLE			
Sedan	14,668	14,816	14,376
87 CADILLAC SEVILLE			
Sedan	12,004	12,125	11,766
88 CHEVY BERETTA			
Coupe	6,255	6,318	6,133
88 CHEVY CORSICA			
Sedan	5,840	5,901	5,728
87 CHEVY BERETTA			
Coupe	4,889	4,939	4,794
87 CHEVY CORSICA			
Sedan	4,494	4,542	4,407
88 CHEVY CAVALIER			
Sedan	5,213	5,267	5,110
87 CHEVY CAVALIER			
Sedan	3,935	3,976	3,858
88 CHEVY CELEBRITY			
Sedan	5,942	6,002	5,823
87 CHEVY CELEBRITY			
Sedan	4,739	4,787	4,646
88 CHEVY CAPRICE			
Sedan	6,739	6,806	6,605
87 CHEVY CAPRICE			
Sedan	5,480	5,532	5,368
88 CHRYSLER NEW YORKER			
Sedan	9,872	9,972	9,676
87 CHRYSLER NEW YORKER			
Sedan	6,905	6,972	6,764
88 CHRYSLER FIFTH AVENUE			
Sedan	9,626	9,722	9,436
87 CHRYSLER FIFTH AVENUE			
Sedan	7,630	7,704	7,476
88 DODGE ARIES AMERICA			
Sedan	4,743	4,788	4,648
87 DODGE ARIES			
Sedan	3,763	3,801	3,688
88 DODGE SHADOW			
Liftbk 5 Dr	5,084	5,135	4,985
87 DODGE SHADOW			
Liftbk 4 Dr	4,135	4,178	4,049
88 DODGE DYNASTY			
Sedan	7,604	7,683	7,452
88 FORD ESCORT			
Htchbk 4 Dr GL	4,284	4,327	4,197
87 FORD ESCORT			
Htchbk 4 Dr GL	3,328	3,361	3,260
88 FORD MUSTANG			
LX-4 Coupe	5,931	5,992	5,812
87 FORD MUSTANG			
LX-4 Coupe	4,811	4,859	4,717
88 FORD TEMPO			
GL Sedan 4 Dr	5,283	5,336	5,176
87 FORD TEMPO			
GL Sedan 4 Dr	4,143	4,187	4,062
88 FORD TAURUS			
GL Sedan 4 Dr	6,793	6,862	6,660
87 FORD TAURUS			
GL Sedan 4 Dr	5,567	5,624	5,456
88 FORD CROWN VICTORIA			
Sedan	9,034	9,123	8,852
87 FORD CROWN VICTORIA			
Sedan	7,459	7,535	7,311
88 THUNDERBIRD			
Coupe	8,126	8,208	7,964
87 THUNDERBIRD			
Coupe	6,655	6,723	6,520
88 LINCOLN			
Town Car Sedan	13,526	13,662	13,255
Mark VII LSC Coupe	14,963	15,112	14,664
Continental Sedan	16,488	16,651	16,158
87 LINCOLN			
Town Car Sedan	11,162	11,272	10,938
Mark VII LSC Coupe	12,629	12,756	12,377
Continental Sedan	12,003	12,125	11,764
88 MAZDA 626			
LX Sedan 4 Dr	7,963	8,042	7,804
88 MERCURY COUGAR			
LS Coupe	8,582	8,668	8,410
87 MERCURY COUGAR			
LS Coupe	7,087	7,157	6,945
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,368	5,420	5,260
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,152	4,195	4,071
88 MERCURY SABLE			
GS Sedan	6,890	6,958	6,750
87 MERCURY SABLE			
GS Sedan	5,595	5,654	5,483
88 MERCURY GRAND MARQUIS			
Sedan	9,635	9,730	9,441
87 MERCURY GRAND MARQUIS			
Sedan	8,107	8,186	7,943
88 MITSUBISHI MIRAGE			
Sedan	4,255	4,298	4,170
87 MITSUBISHI MIRAGE			
Sedan	3,043	3,074	2,982
88 NISSAN SENTRA			
Sedan 2 Dr	4,107	4,149	4,025
88 NISSAN STANZA			
E Ntch 4 Dr	6,680	6,746	6,546
88 NISSAN MAXIMA			
SE Sedan	10,563	10,668	10,351
87 NISSAN SENTRA			
Sedan 2 Dr	3,375	3,408	3,307
87 NISSAN STANZA			
E Ntch 4 Dr	5,423	5,476	5,315
87 NISSAN MAXIMA			
SE Sedan	8,206	8,290	8,040
88 OLDS CALAIS			
Sedan	6,381	6,442	6,253
87 OLDS CALAIS			
Sedan	5,391	5,443	5,281
88 OLDS CIERA			
Coupe	6,309	6,372	6,182
Sedan	6,376	6,442	6,251
87 OLDS CIERA			
S Coupe	5,304	5,356	5,195
Sedan	5,364	5,418	5,257
88 OLDS CUTLASS SUPREME			
Coupe	7,487	7,565	7,340
87 OLDS CUTLASS SUPREME			
Coupe	6,240	6,304	6,115
Sedan	6,240	6,304	6,115
88 OLDS 98 REGENCY			
Sedan	9,994	10,091	9,791
87 OLDS 98 REGENCY			
Sedan	8,308	8,391	8,141
88 PLYMOUTH RELIANT			
Sedan	4,767	4,813	4,674
87 PLYMOUTH RELIANT			
Sedan	3,780	3,818	3,709
86 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,080	5,131	4,981
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,116	4,159	4,032
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,107	5,157	5,003
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,090	4,131	4,008
88 PONTIAC SUNBIRD			
SE Coupe	5,371	5,426	5,262
Sedan	5,443	5,494	5,335
87 PONTIAC SUNBIRD			
SE Coupe	4,209	4,252	4,125
Sedan	4,144	4,186	4,063
88 PONTIAC 6000			
Coupe	6,020	6,080	5,901
Sedan	6,087	6,148	5,965
87 PONTIAC 6000			
Coupe	4,843	4,890	4,746
Sedan	4,898	4,949	4,803
88 PONTIAC GRAND AM			
Sedan	6,420	6,483	6,289
87 PONTIAC GRAND AM			
Sedan	5,687	5,743	5,574
88 PONTIAC BONNEVILLE			
Sedan	8,474	8,560	8,306
87 PONTIAC BONNEVILLE			
Sedan	7,056	7,126	6,914
88 PONTIAC GRAND PRIX			
Coupe	7,755	7,834	7,606
87 PONTIAC GRAND PRIX			
Coupe	6,371	6,434	6,242
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,160	6,222	6,037
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,029	8,109	7,870
88 TOYOTA CRESSIDA			
Lux Sedan	12,489	12,613	12,240
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	4,733	4,781	4,640
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	6,793	6,861	6,657
87 TOYOTA CRESSIDA			
Lux Sedan	10,189	10,292	9,985
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,553	6,619	6,422
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,272	5,325	5,166
88 VOLVO			
240 DL Sedan	11,376	11,487	11,148
87 VOLVO			
240 DL Sedan	9,334	9,429	9,148

PRODUCTS

cludes an 80-page instructor's guide and student handouts. The TSDS training program can be used as a stand–alone safe driving program, or enhance an existing program. *Kolmor Visions, Ltd.*

Circle 213 on Inquiry Card

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Circle 214 on Inquiry Card

GAS PRICES

UNLEADED GAS
Cost Per Gallon

City	Full-Serve	Self-Serve
Little Rock, AR	134.4 ¢	97.4 ¢
Tucson, AZ	135.4	107.6
Santa Barbara, CA	153.9	122.6
Washington, D.C.	147.3	113.9
Savannah, GA	117.6	95.2
Hawaii Island, HI	154.3	137.9
Gary, IN	126.6	109.2
New Orleans, LA	145.4	109.2
Baltimore, MD	141.5	109.5
Lincoln, NE	132.9	116.9
Santa Fe, NM	134.6	112.7
Rochester, NY	118.6	105.6
Tulsa, OK	137.2	99.9
Pittsburgh, PA	128.7	105.0
Tacoma, WA	145.2	113.6

The average U.S. full-serve gasoline price for the month of July was 131.3 cents per gallon.
The average U.S. self-serve gasoline price for the month of July was 109.9 cents per gallon.
Survey conducted during the first five working days of July, 1990.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

NAFA President On Fleet Managers' Future

Profiting From Employee Sales

21st Century Fleet Cars

Operations Survey Results

Expanded Truck Coverage

Comparing Classes 3 To 5

Imports Surge On Lessor Selectors

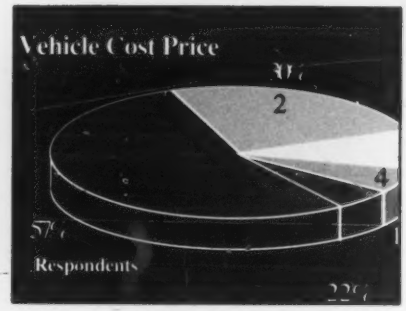
automotive
FLEET®

BOBIT PUBLISHING

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

September 1990
VOL. 29, NO. 11

Influencing the management of 4,959,000 cars and 2,162,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.



p. 40

p. 123

On the cover: Teeing off for the 1991-model year are (left to right): the Nissan Sentra, Toyota Previa, and American Isuzu Stylus. Shot on location at the Los Verdes Golf Course, Rancho Palos Verdes, CA. Our profile begins on p. 22.

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Fleet Managers' Salaries Are Rising

Increased compensation for commercial fleet managers is based in part on whether a company owns or leases its fleet, and signals a growing awareness of the position's importance in the eyes of management.

The money you make as a fleet manager may have something to do with whether your company owns its fleet or leases it.

Although the average salaries of the two groups are comparable ($39,450 for managers of company-owned fleets and $39,370 for managers of leased fleets), managers of company-owned fleets may have a better chance of breaking into the $40,000 salary range, according to a Runzheimer International study.

According to the study, 43 percent of fleet managers whose companies own their fleets have surpassed the $40,000 salary barrier. This compares with the 38 percent of leased-fleet managers who are over that same $40,000 salary mark.

In comparisons to salary figures from the last seven years, however, it is clear that both groups of fleet managers are beginning to climb the salary ladder.

In 1983, only one out of five managers of totally company-owned fleets earned $40,000 or more per year. In 1985 and 1987, just over one-third received salaries above that amount. The jump to 43 percent in 1989 is a nearly 20 percent increase to the over-$40,000 group from 1987's figures.

The salary history for leased-fleet managers has shown a similar movement. In 1983 and 1985, only about one-fourth of leased-fleet managers

Annual Salary Ranges Of Fleet Managers Of Company-Owned Fleets

	1989
Average Salary	**$39,450**
Median Salary	**$37,770**

Annual Salary Range	Percent of Respondents 1983	1985	1987	1989
Under $20,000	14%	14%	6%	3%
$20,000-24,999	12%	14%	15%	12%
$25,000-29,999	22%	8%	13%	9%
$30,000-34,999	18%	14%	16%	20%
$35,000-39,999	14%	15%	14%	13%
$40,000-44,999	20%	35%	10%	14%
$45,000-49,999	N/A	N/A	10%	12%
$50,000 or More	N/A	N/A	16%	17%

N/A= Not Asked

Annual Salary Ranges Of Fleet Managers With Company-Leased Fleets

	1989
Average Salary	**$39,370**
Median Salary	**$35,110**

Annual Salary Range	Percent of Respondents 1983	1985	1987	1989
Under $20,000	10%	11%	11%	5%
$20,000-24,999	16%	16%	14%	13%
$25,000-29,999	17%	11%	17%	18%
$30,000-34,999	19%	16%	16%	14%
$35,000-39,999	10%	21%	12%	12%
$40,000-44,999	28%*	25%*	12%	9%
$45,000-49,999	N/A	N/A	2%	9%
$50,000-54,999	N/A	N/A	16%**	7%
55,000 or More	N/A	N/A	N/A	13%

N/A= Not Asked

**Salary range represented by these percentages was $40,000 or more.*

***Salary range represented by this percentage was $50,000 or more.*

Source: Runzheimer International

received salaries at $40,000 or above. In 1987, just under one-third received salaries at or above that amount. The 1989 figures, however, show that the percentage of leased-fleet managers who have reached the $40,000 salary range has grown to 38 percent.

What does all this mean? It means that companies are, in fact, beginning to recognize the need for a fleet professional to oversee vehicle operations, and also that they are becoming increasingly open to the idea of adequately compensating fleet managers for a professional job well done.

Salary Ranges Of Managers In Charge Of Government And Utility Fleet Operations

	Government	Utility
Average 1989 Salary	$39,300	$46,400
Median 1989 Salary	$38,600	$46,600

Percent of Government Respondents

Salary Range	1983	1985	1987	1989
Under $20,000	7%	5%	8%	3%
$20,000-$24,999	14%	14%	10%	4%
$25,000-$29,999	17%	20%	11%	9%
$30,000-$34,999	34%	23%	22%	23%
$35,000-$39,999	19%	20%	21%	16%
$40,000-$44,999	9%*	18%*	14%	18%
$45,000-$49,999	*	*	14%**	14%
$50,000-$59,000	*	*	**	7%
$55,000 or More	*	*	**	6%

Percent of Utility Respondents

Salary Range	1983	1985	1987	1989
Under $20,000	N/A	N/A	2%	1%
$20,000-$24,999	N/A	N/A	3%	1%
$25,000-$29,999	N/A	N/A	7%	6%
$30,000-$34,999	N/A	N/A	13%	9%
$35,000-39,999	N/A	N/A	18%	12%
$40,000-$44,000	N/A	N/A	14%	16%
$45,000-$49,999	N/A	N/A	43%**	14%
$50,000-$54,999	N/A	N/A	**	15%
$55,000 or More	N/A	N/A	**	26%

*This category was $40,000 or more in the 1983 and 1985 surveys. **This category was $45,000 or more in the 1987 survey.
N/A=Not Asked

Source: Runzheimer International

Selected California Cities and Counties — June 1990: Government Fleet Manager Salary Survey

	Base Salary / Top Salary Step	Fleet Size
County of San Diego	$ 6000	1900
City of Oakland	5701	1801
City of San Jose	5327	1560
City of Sunnyvale	5266	600
County of San Bernardino	4850	1350
City of San Mateo	4787	250
City of Milpitas	4699	180
City of Santa Clara	4686	890
County of Alameda Transportation	4673	475
County of Riverside	4625	1600
City of Fremont	4539	325
City of Redwood City	4495	402
City of Palo Alto	4482	470
County of Sonoma	4337	1100
County of San Diego Transportation	4331	525
County of Santa Clara	4298	1320
County of Contra Costa	4140	1150
County of San Mateo Transportation	3910	400
County of San Mateo	3753	480

Note: Most all cities and counties have paid-retirement or no social security and/or both which is not included in the survey. This informal survey was conducted by R. Simon, County of Santa Clara, and is published courtesy of California Fleet News.

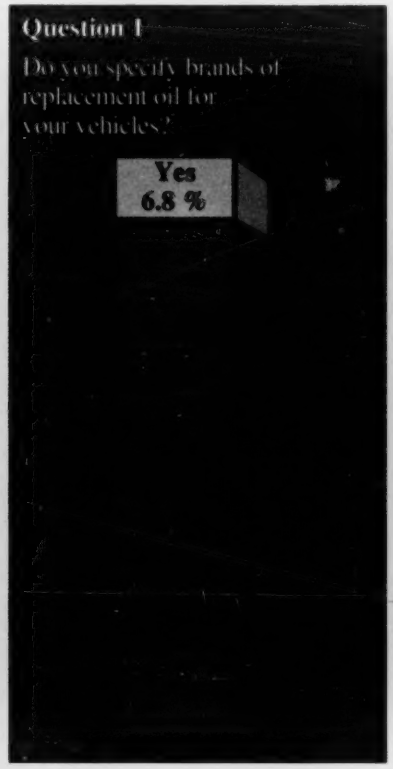
Acquisition Cost Top Factor In Vehicle Selection

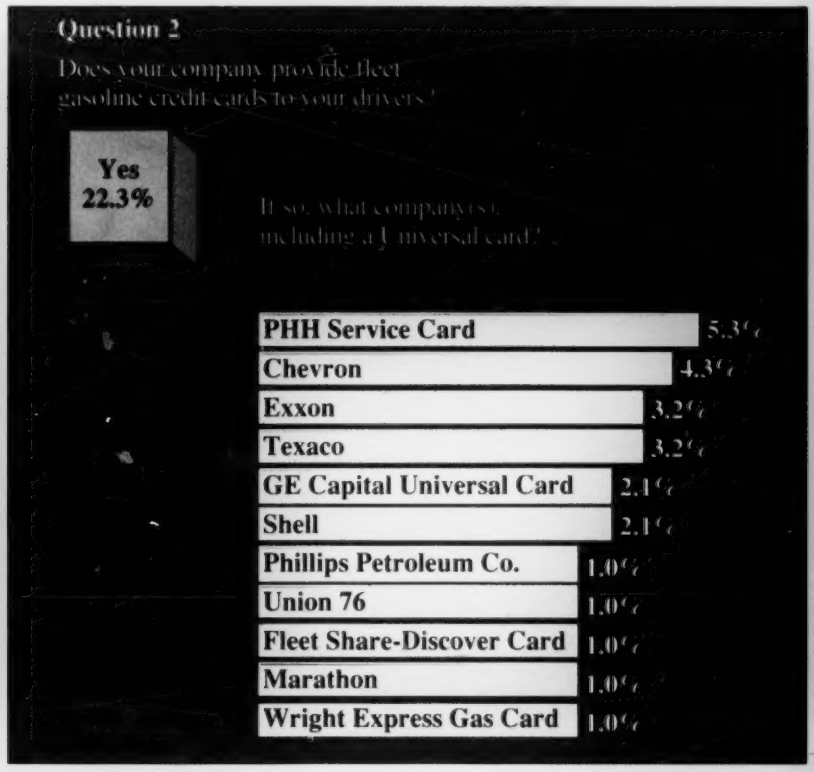
According to respondents of Automotive Fleet's *1990 Fleet Operations Survey, initial cost was the number one factor in selecting fleet vehicles. Other factors included operating expenses, image, and fuel efficiency.*

Results of the 1990 Fleet Operations Survey, conducted by *Automotive Fleet*, showed that fleet managers still consider vehicle acquisition cost the most important factor in obtaining their fleet vehicles. This answer paralleled fleet manager's responses in NAFA's 1990 New Vehicle Acquisition Survey conducted earlier in the year, where respondents also rated initial cost as the single most important factor in new vehicle acquisition.

When asked to rate by importance six factors that influenced vehicle acquisition, 57 percent of the fleet managers responding to *AF's* Fleet Operations Survey selected cost as the most important, followed by vehicle operating expense (20 percent), manufacturer origin (10 percent), delivery availability (seven percent), and image and fuel efficiency (five percent each).

The survey revealed that over 71 percent of the surveyed fleet managers use national account programs to

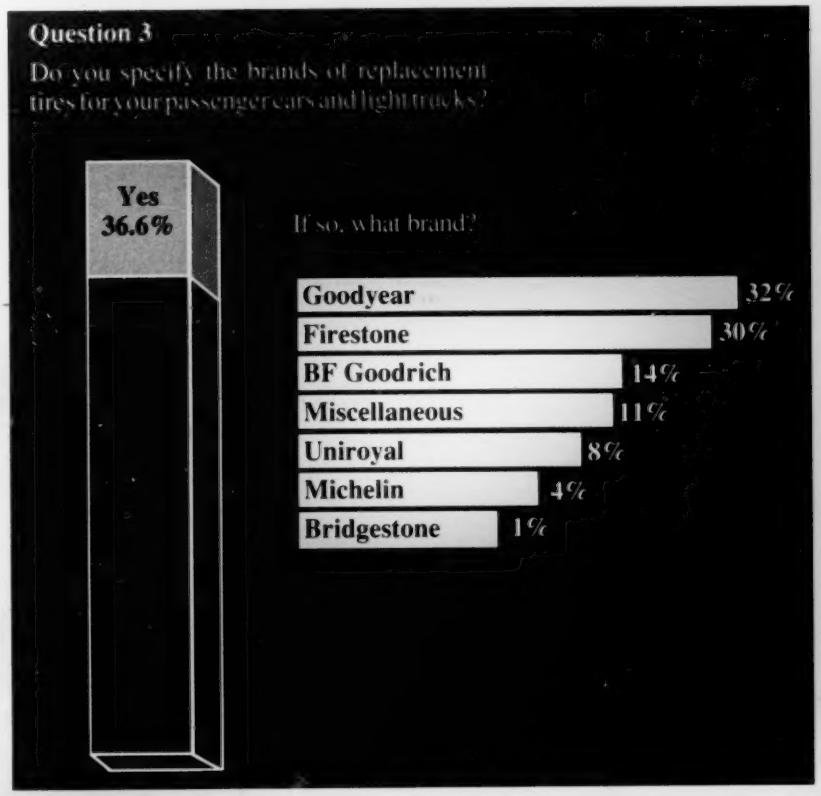


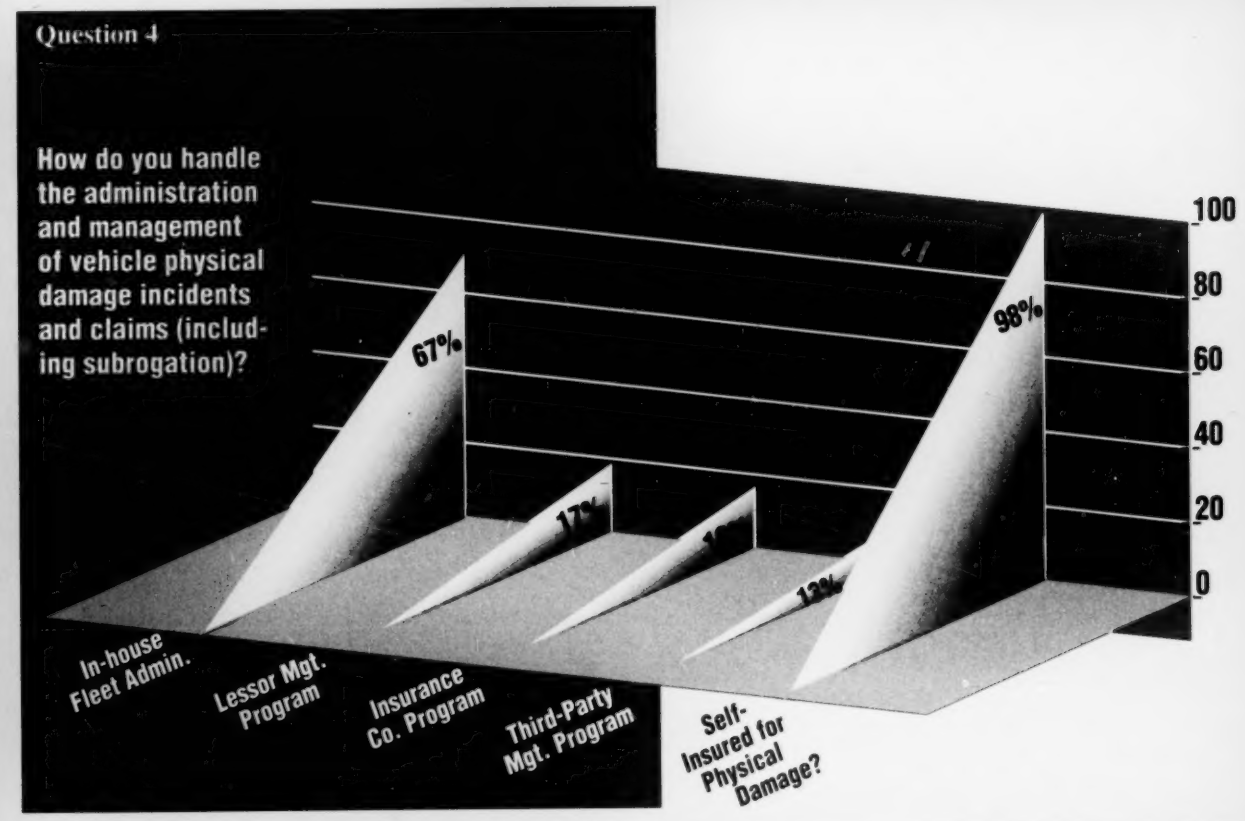


perform preventive maintenance and recommended manufacturer service on their fleet vehicles to their drivers.

When asked if their company provided fleet gasoline credit cards, an overwhelming 77.7 percent responded "No." A high percentage of fleet managers also responded "No" when asked if they specify brands of replacement oil (93 percent) and tires (63 percent.)

The final question in the survey asked: "How do you handle the administration and management of physical vehicle damage and incidents and claims (including subrogation)?" Sixty-seven percent of the respondents indicated that in-house fleet departments handle physical damage incidents and claims processing, followed by lessor accident management programs (17 percent), insurance company programs (16 percent), and a third-party management program (13 percent). Also, 98 percent answered "Yes" when asked if they were self-insured for physical damage.



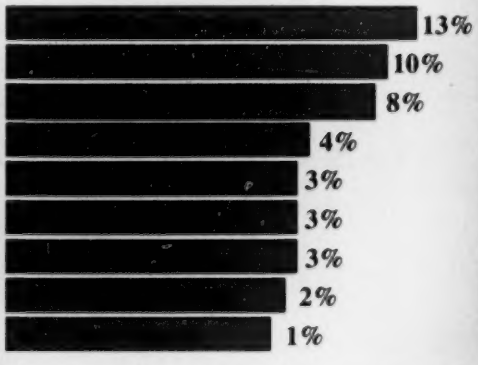


Automotive Fleet's 1990 Fleet Operations Survey was sent to fleet managers at the 200 largest vehicle fleets in the United States, based on *Automotive Fleet's* Top 100 and Second Top 100 lists. These fleets control 355,547 cars and 276,726 light trucks and vans. Percentages for the study are based on 104 responses received. AF

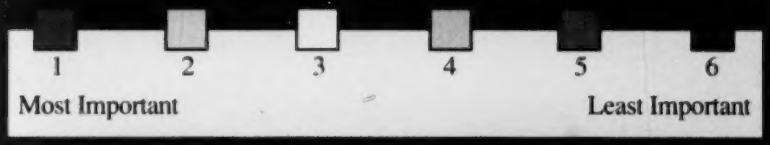
Question 5

Do you use national account programs for preventive maintenance and recommended manufacturer service?

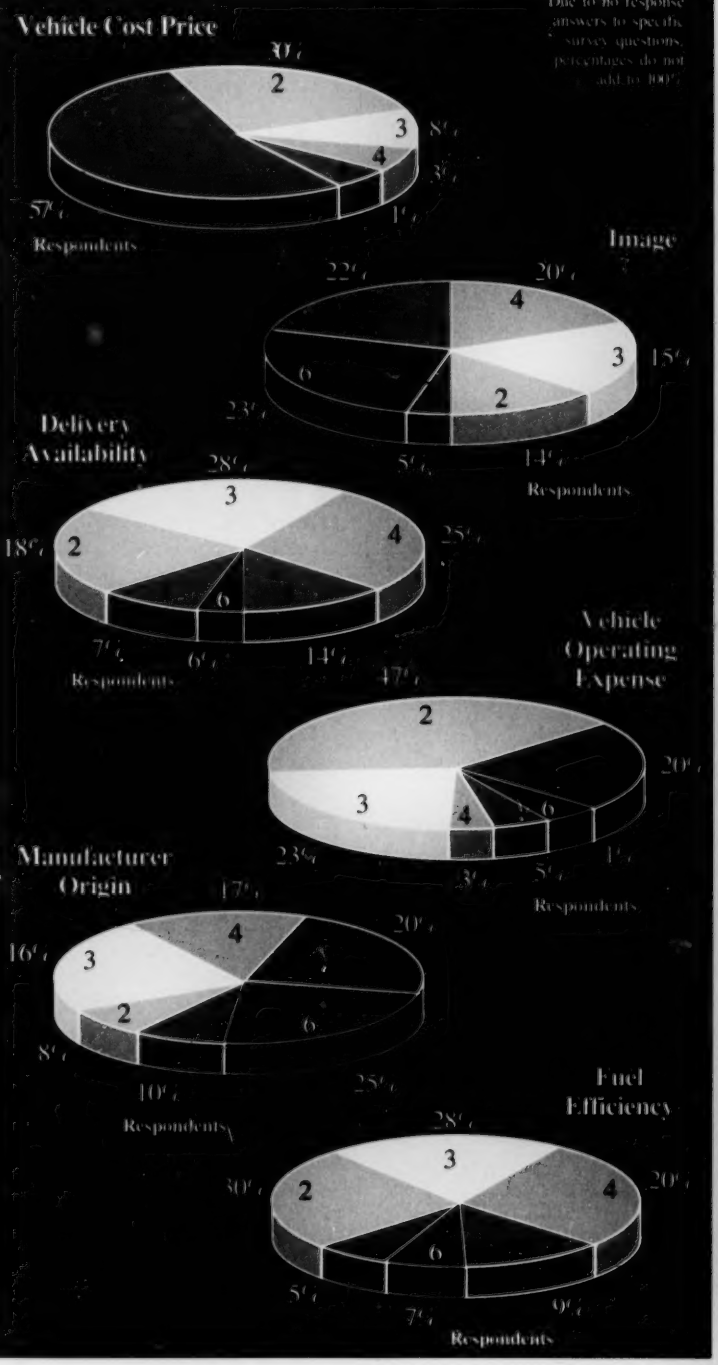
If so, what company(s), including a Universal card?



Question 6 In making your car and light truck acquisitions for your fleet, please rate the following factors in the order of importance:



Due to no response answers to specific survey questions, percentages do not add to 100%



How To Manage A Government Fleet

Here's some thought-provoking examples of ways that government fleet managers economize their operations, stretch equipment cycling periods, maximize returns on resales, and generally get more for every dollar spent.

Managing a government fleet, whether federal, state, or local is a difficult, complex, and frustrating job. What contributes to this situation are the constant demands that the fleet "customers" make for new vehicles and equipment.

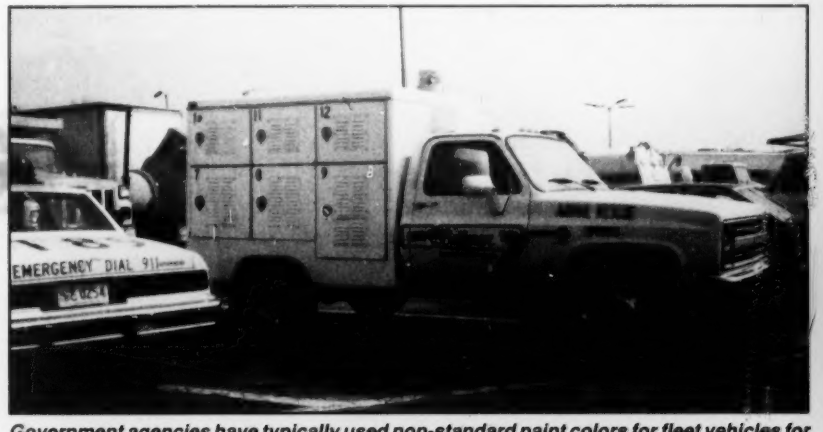
There are a variety of other challenges that affect government fleet management. For instance, the fleet manager has responsibility for a large investment in equipment, however, sometimes he or she is not given the necessary authority to manage this responsibility.

In these demanding situations, the fleet manager's "best friend" is the purchasing agent. The purchasing agent shares responsibility with the fleet manager for monitoring the final purchase descriptions and assuring the very best prices from bidders.

This article will examine government fleet administration in managing motor pools, the acquisition and cycling of equipment, preventive maintenance, computerization of operations, and the current trend toward privatization.

A Growing Trend

A few government fleets have contracted out virtually all fleet operations to fleet management companies. These companies are employed to manage the entire fleet. They assign a fleet manager to work on the premises running the operation on a daily basis. Although there are advantages to hiring private companies (such as controlling union activity), the benefits do not seem to outweigh the additional costs.



Government agencies have typically used non-standard paint colors for fleet vehicles for safety and identification purposes. Bucking this trend is the City of Baltimore, which has selected white as its color of choice, but it also orders a mix of standard factory colors. According to the city, a white truck with a strobe light is adequate for safety purposes.

Despite the trend toward privatization, if a political subdivision employs its own fleet manager (empowered with the proper authority), he or she should be able to effectively manage fleet costs, while providing the necessary transportation services to government employees.

Motor Pool Efficiencies

Managing a motor pool is no different than running a small business. A motor pool is designed to provide reliable, safe, and clean vehicles or equipment that is capable of performing the required job. The fleet manager's function is to prepare a budget, buy or lease equipment, and dispose of it at the proper time.

One of the best ways to provide this service is with a centralized motor pool under a single manager. (The exception to this rule would be agency fleets, such as police and fire, which have specialized requirements and problems.) However, the average administrative sedan should be managed from a centralized motor pool operation which is a self-funding operation (using a revolving

fund to generate its own income).

To achieve this, fleet management needs to establish daily, weekly, and monthly rental rates that are competitive. On the other hand, these rental rates should produce adequate revenues to cover all costs such as equipment, depreciation, maintenance, fuel, insurance, payroll, utilities, building and grounds rent, and administration. Sometimes these costs are not identified and factored into rental rates.

How Much Equipment To Buy

A perennial concern in government fleet management is determining the appropriate number of vehicles or pieces of equipment that are required by the political subdivision to meet its civic responsibilities. The ideal is to have the exact number of vehicles and pieces of equipment required for any given workday. But 100 percent utilization is a goal that is not often reached. Without question, it is necessary to acquire vehicles for employees who drive 12,000 to 15,000 miles annually. However, for employees who drive less than this and only need occasional transportation, other alternatives should be explored such as the use of taxi cabs or other public transit. Another alternative for occasional drivers is contracting with a local rent-a-car company. These are management options the fleet manager must explore. For example, a small rural town has different fleet problems than a large city or state jurisdiction. Should a $40,000 backhoe be purchased when it will only be used occasionally? Why not rent or lease this type of equipment, or buy a used one from another municipality? If equipment is not being used at least 50 percent of the time, maybe other options beside purchase should be explored.

Buying New Vs. Used

Whether new or used equipment is purchased depends on specific circumstances. If a driver needs a vehicle daily and drives 12,000 or more miles per year, then a new car with air conditioning and other convenience items should be considered. Government employees are not "second-class" citizens and should not be treated as such. A few government agencies still force employees to drive "stripped down, bare bones sedans."

According to a study conducted by Runzheimer International, entitled *Survey and Analysis of Business Car Policies and Cost 1989-1990*, nine percent of government fleets do not provide air conditioning, 19 percent do not offer AM/FM radios, while 72 percent do not equip vehicles with cruise control. If a motor pool is charging to its agencies a commercially-competitive rental rate, adequate funds should be available to purchase properly-equipped vehicles.

Buying used cars does have some advantages. Used rental cars make excellent undercover police vehicles since they can be purchased in a variety of makes, models, and colors. The fact is, most of the time, used cars cost less than new cars. Generally, the first year of depreciation on new cars is 20 to 30 percent, depending on market conditions. If a used car in clean condition can be purchased for $1,000 to $2,000 less than a new car, maybe this option should be explored.

However, if vehicles are going to be kept for a long period of time, then buying new should be considered. In addition, manufacturers normally provide additional fleet money to dealers on government bids, which produces very competitive prices on most models.

Refurbishing Stretches Dollars

Municipalities are starting to refurbish specialized equipment such as fire trucks, often saving thousands of dollars. For instance, Onie Crosby, fleet manager for Jacksonville, FL, rebuilt a city fire truck from the ground up, saving the city tens of thousands of dollars.

Circle 121 on Inquiry Card

POLITICAL SUBDIVISIONS

Several municipalities are also exploring the possibility of selling expensive equipment to smaller towns which don't have funds to purchase new equipment. As government budgets contract, fleet managers and purchasing agents are required to constantly look for innovative ways to save tax dollars. Refurbishing specialized vehicles or the sale of equipment to other political subdivisions is one way to stretch those dollars. Tight budgets are a problem that won't go away.

When To Cycle Vehicles

The most controversial and discussed subject in fleet management today is vehicle cycling. Some fleet managers, operating vehicles with 125,000 miles or more, do so until the wheels fall off. Runzheimer's 1989-1990 business car survey reports that 59 percent of government fleets use time and mileage as replacement criteria, while 22 percent use condition, 11 percent mileage only, one percent time only, and seven percent have no policy. The average months of service for a government vehicle is 59 months and 77,994 miles. However, vehicle service life varies by political subdivision. According to the Runzheimer survey, seven percent replace vehicles at less than 60,000 miles, 15 percent at 60,000 to 70,000 miles, and 78 percent recycle at 70,000 or more miles. (Police vehicles were not included in this survey). Unfortunately, determining the best time to dispose of vehicles is not an exact science. There will never be a single right time for all fleet managers to dispose of vehicles which can be applied to all fleets. However, there are some guidelines that should be considered.

The most expensive miles are during a vehicle's first year of life. The longer a car is driven, the cheaper the cost per mile becomes. If a car costs $10,000 today, it will probably be worth 20 percent, or $2,000 less, the same time next year, depending on market conditions. By making this $2,000 available for maintenance, a fleet manager can fix up an average, 60,000-mile car and drive it another 20,000 to 80,000 miles. However, the maximum mileage a vehicle can attain will vary by fleet location.

For instance, a car driven in New York City, generally, will not last as long as a vehicle driven in Florida or Arizona. The reasons for this are that there are not as many potholes in the South, roads don't freeze up and thaw out year after year, and salt and other chemicals are not used. Cars parked in New York City garages are prone to get banged up more than vehicles parked in less congested areas. In addition, stop-and-go traffic is especially hard on vehicles. For instance, a 60,000-mile car driven on the open road should be in better

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condition than a vehicle driven 30,000 miles in a metropolitan area.

So how is fleet replacement policy established? A vehicle replacement policy needs to be flexible, rather than firm. Each time a vehicle is brought in for scheduled preventive maintenance, it should be inspected by the garage foreman and its records reviewed. The foreman determines the mechanical repair work required, the condition of the body, upholstery, tires, brakes, and shocks.

A simple "appraisal" will determine whether a vehicle is clean, safe, and reliable, and the cost of required repairs. If a vehicle is two-years old but "shot," sell it. If the odometer indicates 80,000 miles, but the vehicle is still clean, reevaluate it for continued fleet use. One possibility is to keep the high mileage vehicles by turning them over to departments which require less employee driving. Another option is to use high

Leading Fleet Management Problems At Government Fleets

Fleet Problems	Percent of Respondents 1983	1985	1987	1989
Cost of Maintenance and Repairs	42%	36%	31%	35%
New Car Prices	17%	3%	22%	19%
Quality of Car Maintenance and Repair	N/A	N/A	10%	11%
Vehicle Disposal	2%	28%	5%	8%
Legislative Changes	N/A	N/A	9%	5%
Vehicle Selection	7%	1%	12%	5%
Cost of Financing	1%	3%	4%	3%
Cost of Gasoline	8%	7%	1%	2%
Insurance	N/A	N/A	N/A	2%
Personal Use Chargebacks	2%	9%	1%	N/A
Driver Morale	2%	3%	1%	1%
Other	19%	10%	4%	9%

N/A = Not Asked

Source: Runzheimer International

Table 1.

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Policy Changes Made By Government Fleets To Control Costs

Changes	Percent of Government Respondents* 1983	1985	1987	1989
Tightened Operating Expense Control	51%	36%	43%	26%
Lengthened Vehicle Replacement Cycle	57%	35%	32%	21%
Tightened Personal Use	11%	4%	3%	20%
Adopted More Economical Cars	86%	72%	56%	17%
Changed Vehicle Manufacturers	N/A	N/A	N/A	17%
Switched To Self-Insurance	N/A	N/A	N/A	13%
Instituted Safety Program	N/A	N/A	N/A	13%
Added Preventive Maintenance	N/A	N/A	N/A	14%
Tightened Vehicle Eligibility Requirement	33%	23%	28%	12%
Issued Credit Cards To Drivers	N/A	N/A	N/A	5%
Contracted With National Service To Provide Maintenance	N/A	N/A	N/A	3%
Increased Insurance Deductibles	8%	6%	16%	3%
Changed Insurance Company	N/A	N/A	N/A	1%
Sold Vehicles To Employees	N/A	N/A	N/A	**
No Changes	4%	11%	13%	30%

N/A=Not Asked
*Totals exceed 100% because of multiple answers.
**Less than 0.5%

Source: Runzheimer International

Table 2.

mileage units as spare vehicles.

Often, bids are requested for a one-time buy of 100 or more of one kind of vehicle. If the right vehicle is purchased at the right price, fine, however, what happens if these 100 or more vehicles happen to be "problem cars?" Buying a mix of vehicles and colors helps eliminate this problem. The rent-a-car industry has employed this type of fleet acquisition program for years.

As long as motor pool rental rates charged to agencies adequately covers vehicle depreciation, there should be ample funds to replace units as required. In addition, if vehicles are disposed at auction, a mix of makes and models will help maximize resale dollars.

Why Government Colors?

Government fleets for years have used non-standard colors for trucks such as Omaha orange, DOT yellow, or forest green. Some government fleet managers argue, "We order these colors for safety and identification; besides that's the way we always bought them." However, some municipalities are moving away from non-standard paints.

For instance, the City of Baltimore does not, for the most part, request exotic colors for its vehicles anymore. Currently, white is Baltimore's color of choice, but it also orders a mix of standard factory colors. Vehicles painted in standard factory colors cost less up front and at the end of their service life sell for higher prices at auctions. In addition, the city indicates that a white truck with a strobe light is more than adequate for safety purposes.

In order to identify a vehicle as a government fleet car, some agencies are still blemishing their vehicles with the typical "meatball" logo on the driver's door. An alternative is to affix a decal to the rear window or design a license plate bracket identifying the vehicle. Both can be easily removed prior to disposal.

Logos are fine for a commercial fleet operator, since they are part of the company's advertising, but is it really worth the expense to a local government agency?

Computerizing Operations

The Runzheimer 1989-1990 business car study indicated that 91 percent of government fleet managers use computers in their daily fleet operations. Managing a fleet today is much too complex not to utilize computers. Fleet managers can compare maintenance costs, monitor preventive maintenance, identify driver/vehicle cost exceptions, identify new vehicle selection, prepare budget reports, and other needed information for management. AF

The preceding article was prepared by David Utzinger, fleet sales manager, Eastern Region, for American Isuzu Motors.

The Number Of Imports Increase On Lessor Selectors

Most major fleet leasing companies are offering more import models to their fleet customers than ever before and this trend promises to accelerate in future model-years.

Vehicle leasing companies are steadily increasing the number of import models offered to fleets. According to the 1990 *Automotive Fleet Fact Book*, eight of the 11 largest vehicle lessors purchased more import models in 1989 than in 1988.

As a result, the number of imports offered on lessor recommendation guides is also rising. For example, 11 of the 12 largest lessors offered import models to their fleet customers for the 1991-model year. Toyota and Nissan were the only import manufacturers to have models offered on all 11 selectors.

In another instance, Mazda, which was offered only on GE Capital's selector guide in 1990, was added to the selector lists of Lease Plan USA, McCullagh, PHH FleetAmerica, and United States Fleet Leasing for the 1991-model year.

Similarly, VW was added to GE Capital Fleet Service's recommendation guide in 1990 and subsequently to McCullagh Leasing's selector guide in 1991.

Chart 1 shows the percentage of import models the top 12 vehicle lessors bought in 1989, plus outlines the growth of import models offered by Toyota, Nissan, Mazda, and Volkswagen on lessor recommendation guides from the 1988- through 1991-model years. AF

Expansion Of Imports On Selectors

Fleet Lessor	% Import Purchased '89	Years Offered On Selector Lists			
		TOYOTA	NISSAN	MAZDA	VW
ARI	2.0%	'88, '89, '90, '91	'91	'91	—
Associates	2.7%	'90, '91	'90, '91	—	—
Donlen	1.4%	'90, '91	'90, '91	—	—
Emkay	N/A	'91	'91	—	—
Enterprise	3.8%	'91	'91	—	—
GEC Fleet	2.2%	'90, '91	'90, '91	'90, '91	'90, '91
Lease Plan	3.3%	'90, '91	'90, '91	'91	—
LMV	6.6%	'89, '90, '91	'89, '90, '91	—	—
McCullagh	2.9%	'90, '91	'91	'91	'91
PHH	2.0%	'90, '91	'91	'91	—
USFL	4.5%	'89, '90, '91	'89, '90, '91	'91	—
Wheels	2.2%	—	—	—	—

Chart 1

Profiting From Vehicle Resales To Employees

Selling a fleet vehicle to an employee at the end of its business life is the most financially rewarding method of recouping a percentage of fleet acquisition costs. The trick is increasing the percentage of vehicles sold to employees.

In recent years, retail incentive programs and attractive APR interest rates offered by automaker's finance arms have made buying a new car easier for the general public and resulted in a glut of late-model cars.

One way to avoid the gyrations of the retail used-car market is to sell end-of-term fleet vehicles to drivers, other employees, or customers referred to the company by employees. In fact, selling cars to employees is the most frequently-used method of vehicle disposal by company-owned fleets, and the second most frequently used method for company-leased fleets. Studies have confirmed that employee resale is the most financially advantageous method of disposal.

To find out how some fleets are handling employee resale programs, Automotive Fleet *assembled a panel to discuss methods of organizing such a program and ways to increase employee resales. The panel included: Jerry Albertini, manager of corporate services for Simplex in Gardner, MA; Clive Armitage, manager of travel and transportation for ICI Americas in Wilmington, DE; Hazel Browne, fleet coordinator for Marion Merrell Dow Pharmaceuticals in Kansas City, MO; and Janis Day Christensen, fleet manager for TRW Information Systems in Orange, CA. The moderator was* AF's *Gary Rubin.*

AF: Does your company view resale programs as an employee benefit?

Christensen: From a tax standpoint, we try not to use the word 'benefit' because of the connotations the IRS might make. The cars are being sold wholesale, so it is a benefit to the employee because they are buying the cars for the same price as the dealer. But from a tax standpoint we don't treat it as a benefit.

Albertini: We handle it much the same way. We've done many gyrations on the pricing scheme so that it may be perceived as a benefit. The employees definitely perceive it as a benefit, but for tax purposes we don't refer to it as a benefit.

Browne: We do not quote it as a benefit but it is definitely a benefit to our associates. I think the drivers look at it as a benefit in regard to pricing. They also have the opportunity to sell the vehicle to their family members or friends if they want.

Armitage: We treat it as a benefit but have not promoted it as such. In the past, our company hasn't done a great job of promoting the benefit aspect without confusing the employees as far as the tax implications. We are looking now as to how we can promote the sale of the cars to the employees. We have only offered employees their own cars and I think there is room to offer employees cars that other employees have turned down.

AF: What is your formula for pricing when reselling fleet vehicles? Secondly, what percentage of your vehicles are sold to employees?

Browne: We look at the Automotive Market Report (AMR) and usually take 95 percent of fair market value adjusted for miles. We also ask our leasing company to give us some idea of market value. Currently, the used-car market is strong so we have told our lessor to look at 105 percent of AMR. We did that on the recommendation of the leasing company's remarketing staff. Right now, we're at 30 percent resale to employees, but we're shooting for 40 percent. We feel employee sales is an excellent tool to

Most Financially Rewarding Method Of Vehicle Disposal

Method	Company-Owned	Company-Leased	Combined Totals
Sell to employees	32%	51%	41%
Sell directly to public	24%	11%	17%
Return to lessor	1%	22%	12%
Auction	13%	9%	11%
Trade in	12%	3%	7%
Sealed bids	14%	1%	8%
Sell to wholesaler	4%	3%	4%

*Source: Runzheimer International

recapture our investment in fleet and a great opportunity for the buyer.

Christensen: We use 100 percent of AMR, fair, adjusted for miles and no options. We're at about 25 percent resale, which is NAFA's figure for the average percentage of cars sold by fleets to employees.

Albertini: We use AMR as a wholesale guide. We measure how we price the car to the employee very closely against the average percentage of return our lessor generates. We adjust our pricing guidelines yearly to keep in step with what our lessor generates. For the past two years we've been operating at 95 percent of AMR, clean, adjusted for mileage, but that price also includes a one-year, 12,000-mile warranty that we pass along to any buyer of a Simplex vehicle. Right now, we're at about 30 percent resale to employees.

Armitage: We use AMR fair. We look at a vehicle's condition report, adjusting the price for mileage, plus if the car has less than 70,000 miles we factor in an additional insurance cost of $150 for Auto Shield coverage. We are currently selling about 20 to 22 percent of our cars to employees. I believe we can do better than that.

AF: Are cars sold "as-is?"

Christensen: With our lessor, Wheels, we offer a 12-month, 12,000-mile warranty and automatically build it into the price, but the buyer is advised that if they want to, they can decline the insurance coverage. However, most employees buy the cars with the warranty coverage. This is not a manufacturer's warranty; Wheels offers the warranty through an independent company.

AF: In what ways do you see your company increasing its employee resale percentage?

Christensen: We advertise our listings over the electronic mail system. The way the system works is that the driver automatically gets a sales quote, and roughly 30 to 45 days before the replacement is going to be in, we send a list of the vehicles — make, model, year, and price — over the electronic mail to everybody within the group, roughly 10 TRW companies. We ask employees to contact us if they are interested, then we coordinate the sale through the driver.

Albertini: At individual locations, we are going to a bulletin-board-style running sheet that will consolidate all cars being replaced in a given cycle listing the make, model, and sale price. We will also provide a consolidated roster similar to the bulletin-board running sheets that will be available for our employees at our headquarters office. If there is any interest in a car at an adjoining branch, we will be able to funnel that information into the network very quickly. In the next year or so, we also are going to initiate an effort to bring cars in from the Northeast into the Gardner, Massachusetts area, where our headquarters is located, to generate sales among the 1,400 employees that work there.

Armitage: We are looking at using electronic mail in some of our divisions to promote employee sales. The bulletin board is another tool we are planning to use at our off-site locations.

AF: Are these programs open to people other than employees? Is there any type of restriction or can you basically sell the car to anyone who wishes to purchase it?

Albertini: What we have done in our program is to encourage employees to make an effort to sell the cars, not necessarily to clients, but to neighbors or whomever. We have a sales program that provides the employee a sales commission if they locate a buyer, similar to that of a car salesperson. Anytime a car is sold outside of the Simplex family network, its price is marked-up $200 or more, whatever the market will bear, and the employee and Simplex share that price differentiation 50-50. This commission is included in the employee's regular commission report. Before a vehicle is sold, its records are completely examined. For instance, it can never have been in an accident, which makes it safe to assume that there isn't any hidden frame damage or incorrect repair work. By going through the records ahead of time we have screened out any potential problems, plus all the paperwork clearly states the car is bought as-is and it is warrantied by a third-party insurance carrier, which takes our lessor, Wheels, and ourselves out of the picture. We are not in the business to sell cars, but with the

ones we do sell, we don't want coming back with problems. Therefore, we go through the screening process before a car is ever offered for sale.

Browne: We provide a quoted price to the associate and if the driver wishes to sell the vehicle the associate may increase the asking price to recoup any options he or she might have paid for. We ask the associate to explain to the buyer that the cost of the options is being recouped. The title will then come back showing quoted price.

Armitage: One objective that we want to install in our employee resale program is making the employees aware that we would like their friends and relatives contacted about buying vehicles. I'm listening to the ideas here about commissions, but that would not be something viewed favorably by ICI Americas. We don't want to be car salespeople. We are a very conservative company, so management is sensitive about any activity outside of normal trading. We only want to sell the car one time, and if it is to an employee's friend and that person is willing to pay a certain price where the employee is making a commission, that's fine. But we only want to sell the car once and we only want to get one check for it.

Christensen: Our concern is that our salespeople are getting paid to sell a variety of products and there could be a conflict of interest if employees are trying to sell their cars more than they are trying to sell their products.

AF: Are there any special options that you offer that may make the car more appealing at resale time?

Armitage: Our drivers can add additional options themselves. They will lose that option when the car is replaced if they don't buy the car; the drivers know that there are no exchanges. Any other options that are included on the car depend upon the employee's years of service at a given job. For example, if an employee has been at

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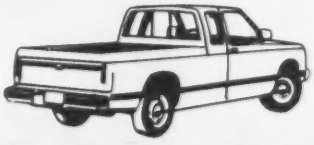

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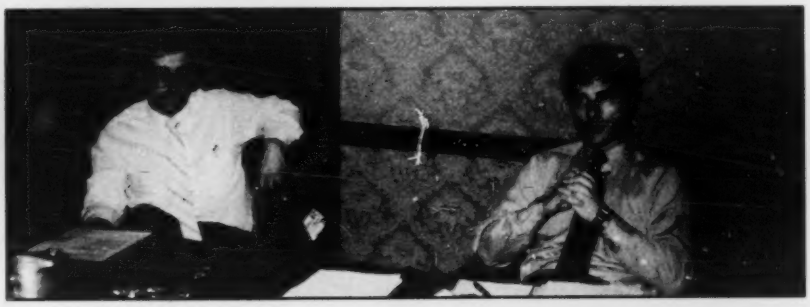

"One objective that we want to install in our employee resale program is making the employees aware that we would like their friends and relatives contacted about buying vehicles. I'm listening to the ideas here about commissions, but that would not be something viewed favorably by ICI Americas," says Clive Armitage, right, manager of transportation and travel at ICI Americas. Looking on is Jerry Albertini, manager of corporate services for Simplex.

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the same job for 10 years, they receive an additional $500 worth of options through our long service award program, which applies to all levels. I think the options we are getting the most requests for are cassette players, power windows, and power locks, which are not always standard. The two items that are of key importance now, not from the perspective of resale but of safety, are airbags and antilock brakes. As soon as ABS becomes price competitive, we will definitely equip our cars with them.

Christensen: We allow our employees to purchase their own options, which makes the car more attractive at resale time. We do have a limited list of colors from which they are allowed to pick. Our rationale for allowing drivers to purchase options is that they are looking at the car from a retail perspective. They don't want to buy a typical fleet car—they want a car that would appeal to the retail public. In addition to the driver's options, we put in options such as cruise control, tilt steering, and six-cylinder engines in our mid-size cars. We take advantage of the manufacturers' options incentives. We feel that each car doesn't have to be equipped exactly alike. We have a good mix of cars that are equipped with airbags, tape players, and power windows, and some cars that have just a few options.

Browne: We equip all of our vehicles with air conditioning, cassette players, cruise control, and tilt steering along with power windows and door locks. We allow our associates to purchase additional options, making the vehicle more appealing to them. We feel if our

"Right now, we're at 30 percent resale to employees, but we're shooting for 40 percent. We feel employee sales is an excellent tool to recapture our investment in fleet and a great opportunity for the buyer," says Hazel Browne, left, fleet coordinator at Marion Merrell Dow Pharmaceuticals. Also participating in the discussion was Janis Day Christensen, fleet manager for TRW Information Systems.

vehicles are well-equipped they will also appeal to the retail market down the road.

Albertini: In addition to allowing our employees to order additional options at their own expense, we have offered an incentive program based on years of safe driving. For every year of safe driving — that's driving without multiple moving violations and/or accidents or a combination of both — employees earn credits toward free options on their next car order. That builds up over time so that some drivers are earning $800 to $900 worth of options. Anything that is a safety-related item is included in the car upfront. The only options we don't include would be something such as chrome wheels, which are a high-theft item. Since we have begun our safety program, it has helped increase our employee resale percentage.

AF: Does offering an incentive for safe driving have a negative impact on the company — possibly with accidents not being reported so that drivers will keep their records clean?

Albertini: If an accident involves another vehicle, it automatically goes through our liability and risk-management departments. The only way drivers can hide accidents is if they backed into a pole or some other stationary object and then report it as 'hit and run' damage. The only effect of our program that I've seen is people really fighting to keep their driving records as clean as possible. If they feel they've been wronged by a speeding ticket, they take it upon themselves to fight it to keep their record

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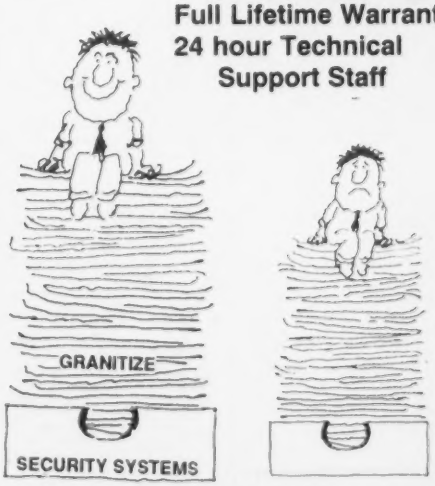

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clean, which helps our insurance ratings. We feel it has been very beneficial. It's put safety at a whole different awareness level within the company.

AF: What ways do you ensure that last-second repairs are not done just before resale?

Armitage: We allow a $200 limit for repairs before questions are asked mainly because of the size of the fleet. One of the reasons we have that limit is because we have a large number of responsible people in our fleet who are safety conscious. A smaller limit won't work if the drivers need tires or something else safety-related. That $200 amount works quite well. It buys you most things except major mechanical repairs.

Christensen: All of our vehicles have to go through our leasing company for any repair over $50. If the car is scheduled for replacement, then the leasing company will contact us and we will discuss what items are safety-related and make a decision from there. Basically, if the repair is not safety-related we won't do it. Before the driver gets a car, a contract is signed with TRW saying that no unauthorized repairs are to be done on the vehicle. If repairs are done during the time that the vehicle is going to be replaced, the driver could be responsible for those repairs. We strongly suggest that all repairs be checked either with the leasing company or through fleet administration.

Albertini: Once a car goes beyond 40,000 miles, the only repair that is pre-approved is a lube, oil, and filter change. Everything else needs an authorization issued by Fleet Administration. We look very carefully at what repairs are being done. Obviously requests for brakes are looked at — are they necessary to keep the car in safe working order or is somebody just trying to get new brakes on the car before they buy it? It does add a few extra phone calls coming into Fleet Administration, but so far we think we've corralled that expense fairly well.

Browne: Our fleet is assisted by a maintenance management company. They flag all cars that are up for renewal and they look at those cars when they come in for maintenance. Any maintenance work under $30 can be done without question. We will do repairs that are safety-related. If the driver says the car needs new brakes, we will do the brake repair. If the car is in for new shocks or to fix the cassette, we then ask the driver if they are planning to buy the car. If we get a commitment, we will often do the repair. This is a verbal commitment, but at times we ask for that commitment in writing. AF

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• Competitive Pricing • Nationwide Warranty • Priority Service

Circle 136 on Inquiry Card

LIGHT TRUCK AND VAN NEWS

CAFE Rise May Restrict Full-Size Truck Sales

Full-line vehicle manufacturers may have to restrict full-size truck availability if corporate average fuel economy (CAFE) standards become any stricter. According to Clifford J. Vaughan, vice president and group executive for GM's Truck & Bus Group, GM must build and sell six small pickups for every 10 full-sized pickups in order to comply with the 1990-model year CAFE of 20.0 mpg. Vaughan estimates that one million buyers will move from passenger cars to trucks during the 1990-model year.

Current model light trucks are becoming heavier as manufacturers try to comply with new safety and emissions legislation, and light truck manufacturers must find ways to offset the extra weight in order to meet the CAFE standards.

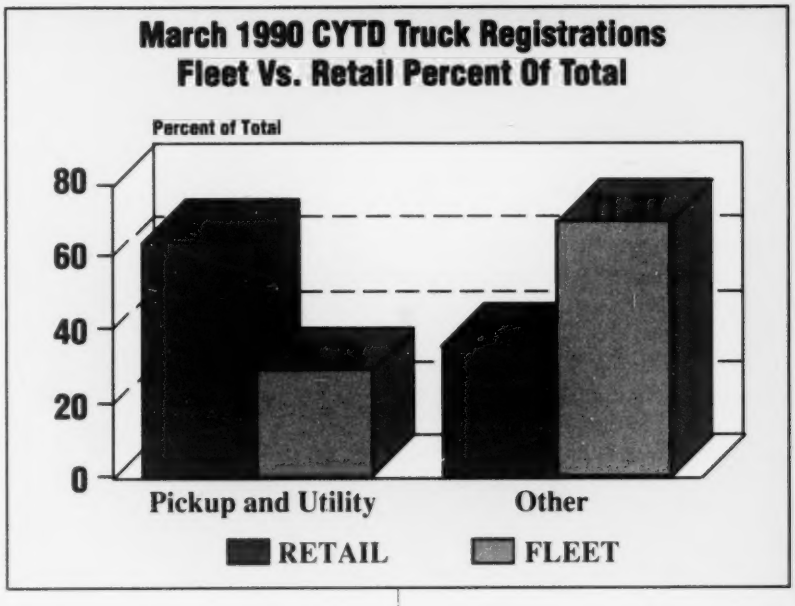
GM To Offer CNG-Powered Trucks In 1991

General Motors announced it will build, warranty, and sell at least 1,000 GMC Sierra pickup trucks with V-8 engines modified to run on compressed natural gas. Utilities in California, Colorado, and Texas have committed to buy the trucks and a group of these utilities have contributed $935,000 to help cover GM's warranty costs.

GM plans to develop other types of CNG-powered vehicles, viewing the pickup trucks as the first step towards offering alternate fuel vehicles. CNG vehicles can reduce ozone-forming pollutants by 65 percent and carbon monoxide by 90 percent, making them among the cleanest-fueled vehicles available. The trucks will carry three storage tanks, five feet long and eight to 10 inches in diameter, and will have a range of 200 miles. Because there is currently a limited number of CNG fueling stations, the trucks will be sold to fleets that operate from a central location.

There are currently 30,000 vehicles fueled by CNG in the U.S. The national market for GM's natural gas trucks could expand to as much as 5,000 to 10,000 trucks per year, according to a GM spokesman.

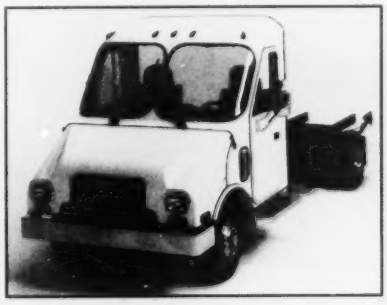
Circle 211 on Inquiry Card



New Cutaway Cab For CDC Chassis

A new handcrafted cutaway cab for the CDC 11,500-lb. GVWR chassis is now available from Computer Designed Chassis in Paxton, IL.

Designed especially to meet the



long-term needs of commercial delivery and emergency vehicle builders and operators, the new cab is all aluminum with a two-inch structural tube frame and .125-inch skin plate, including doors. The cab design offers increased durability, reduced front axle weight, and easy engine and transmission access. Other design benefits include panoramic visibility with a wraparound 2,573-square-inch tinted windshield, and dual outside mirrors.

The CDC cab design also takes service needs into consideration and features easy engine access from the rear through a removable compartment in the cab, transmission access from inside the vehicle through a floor panel, removable wheelwells for access to engine and front suspension, and a "full" tilt hood.

Circle 212 on Inquiry Card

New Bins Designed For Service Vehicles

Access Rack has announced a new line of hopper front bins for use in service vehicles. Bins may be clipped together to prevent bouncing, but are easy to remove individually.

Transparent drop-down fronts allow filling bins to capacity while preventing small parts from bouncing out. The bins can also be subdivided by dividers to suit specific job requirements.

The bins are made from durable polypropylene and are available in five sizes and four colors.

Circle 213 on Inquiry Card

USED-CAR PRICES

The following are average used-car prices for the period ending August 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of *Automotive Market Report*.

88 BUICK SKYHAWK			
Coupe	5,346	5,397	5,237
Sedan	5,420	5,472	5,314
87 BUICK SKYHAWK			
Cust Coupe	4,321	4,363	4,233
Cust Sedan	4,389	4,429	4,298
88 BUICK SKYLARK			
Cust Sedan	6,375	6,440	6,250
87 BUICK SKYLARK			
Cust Sedan	5,330	5,382	5,223
88 BUICK CENTURY			
Cust Sedan	6,312	6,378	6,189
87 BUICK CENTURY			
Cust Sedan	5,264	5,317	5,157
88 BUICK LESABRE			
Cust Sedan	8,342	8,426	8,177
87 BUICK LESABRE			
Cust Sedan	6,984	7,055	6,845
88 CADILLAC DEVILLE			
Coupe	13,568	13,703	13,295
Sedan	13,727	13,863	13,451
87 CADILLAC DEVILLE			
Coupe	10,824	10,934	10,610
Sedan	10,959	11,069	10,738
88 CADILLAC SEVILLE			
Sedan	14,522	14,668	14,232
87 CADILLAC SEVILLE			
Sedan	11,837	11,956	11,602
88 CHEVY BERETTA			
Coupe	6,193	6,255	6,071
88 CHEVY CORSICA			
Sedan	5,770	5,831	5,660
87 CHEVY BERETTA			
Coupe	4,841	4,889	4,746
87 CHEVY CORSICA			
Sedan	4,405	4,452	4,319
88 CHEVY CAVALIER			
Sedan	5,151	5,204	5,049
87 CHEVY CAVALIER			
Sedan	3,880	3,920	3,804
88 CHEVY CELEBRITY			
Sedan	5,871	5,930	5,753
87 CHEVY CELEBRITY			
Sedan	4,673	4,720	4,581
88 CHEVY CAPRICE			
Sedan	6,671	6,738	6,539
87 CHEVY CAPRICE			
Sedan	5,404	5,455	5,293
88 CHRYSLER NEW YORKER			
Sedan	9,774	9,872	9,580
87 CHRYSLER NEW YORKER			
Sedan	6,850	6,916	6,710
88 CHRYSLER FIFTH AVENUE			
Sedan	9,549	9,645	9,361
87 CHRYSLER FIFTH AVENUE			
Sedan	7,554	7,627	7,402
88 DODGE ARIES AMERICA			
Sedan	4,695	4,740	4,602
87 DODGE ARIES			
Sedan	3,726	3,763	3,651
88 DODGE SHADOW			
Liftbk 5 Dr	5,044	5,094	4,945
87 DODGE SHADOW			
Liftbk 4 Dr	4,085	4,128	4,001
88 DODGE DYNASTY			
Sedan	7,513	7,591	7,363
88 FORD ESCORT			
Htchbk 4 Dr GL	4,229	4,271	4,143
87 FORD ESCORT			
Htchbk 4 Dr GL	3,288	3,321	3,221
88 FORD MUSTANG			
LX-4 Coupe	5,872	5,932	5,754
87 FORD MUSTANG			
LX-4 Coupe	4,753	4,801	4,660
88 FORD TEMPO			
GL Sedan 4 Dr	5,220	5,272	5,114
87 FORD TEMPO			
GL Sedan 4 Dr	4,093	4,137	4,014
88 FORD TAURUS			
GL Sedan 4 Dr	6,712	6,780	6,581
87 FORD TAURUS			
GL Sedan 4 Dr	5,500	5,557	5,391
88 FORD CROWN VICTORIA			
Sedan	8,944	9,032	8,764
87 FORD CROWN VICTORIA			
Sedan	7,385	7,460	7,238
88 THUNDERBIRD			
Coupe	8,045	8,126	7,884
87 THUNDERBIRD			
Coupe	6,576	6,642	6,442
88 LINCOLN			
Town Car Sedan	13,337	13,471	13,070
Mark VII LSC Coupe	14,754	14,901	14,459
Continental Sedan	16,046	16,204	15,725
87 LINCOLN			
Town Car Sedan	11,006	11,115	10,785
Mark VII LSC Coupe	12,416	12,540	12,167
Continental Sedan	11,705	11,824	11,472
88 MAZDA 626			
LX Sedan 4 Dr	7,844	7,921	7,687
88 MERCURY COUGAR			
LS Coupe	8,479	8,565	8,309
87 MERCURY COUGAR			
LS Coupe	7,017	7,085	6,875
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,304	5,355	5,197
87 MERCURY TOPAZ			
GS Sedan 4 Dr	4,102	4,145	4,023
88 MERCURY SABLE			
GS Sedan	6,385	6,902	6,696
87 MERCURY SABLE			
GS Sedan	5,528	5,587	5,418
88 MERCURY GRAND MARQUIS			
Sedan	9,539	9,633	9,347
87 MERCURY GRAND MARQUIS			
Sedan	8,043	8,120	7,879
88 MITSUBISHI MIRAGE			
Sedan	4,191	4,234	4,107
87 MITSUBISHI MIRAGE			
Sedan	2,982	3,013	2,922
88 NISSAN SENTRA			
Sedan 2 Dr	4,066	4,108	3,985
88 NISSAN STANZA			
E Ntch 4 Dr	6,613	6,679	6,481
88 NISSAN MAXIMA			
SE Sedan	10,457	10,561	10,247
87 NISSAN SENTRA			
Sedan 2 Dr	3,341	3,374	3,274
87 NISSAN STANZA			
E Ntch 4 Dr	5,369	5,421	5,262
87 NISSAN MAXIMA			
SE Sedan	8,124	8,207	7,960
88 OLDS CALAIS			
Sedan	6,330	6,391	6,203
87 OLDS CALAIS			
Sedan	5,348	5,400	5,239
88 OLDS CIERA			
Coupe	6,246	6,308	6,120
Sedan	6,312	6,378	6,189
87 OLDS CIERA			
S Coupe	5,251	5,302	5,143
Sedan	5,310	5,364	5,205
88 OLDS CUTLASS SUPREME			
Coupe	7,383	7,459	7,238
87 OLDS CUTLASS SUPREME			
Coupe	6,178	6,241	6,054
Sedan	6,178	6,241	6,054
88 OLDS 98 REGENCY			
Sedan	9,944	10,041	9,742
87 OLDS 98 REGENCY			
Sedan	8,266	8,349	8,100
88 PLYMOUTH RELIANT			
Sedan	4,719	4,765	4,628
87 PLYMOUTH RELIANT			
Sedan	3,743	3,780	3,672
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,040	5,090	4,941
87 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,066	4,109	3,984
88 PLYMOUTH GRAN FURY			
Salon Sedan	5,020	5,070	4,918
87 PLYMOUTH GRAN FURY			
Salon Sedan	4,020	4,061	3,940
88 PONTIAC SUNBIRD			
SE Coupe	5,328	5,383	5,220
Sedan	5,400	5,451	5,292
87 PONTIAC SUNBIRD			
SE Coupe	4,175	4,218	4,092
Sedan	4,111	4,152	4,031
88 PONTIAC 6000			
Coupe	5,960	6,020	5,842
Sedan	6,027	6,086	5,905
87 PONTIAC 6000			
Coupe	4,785	4,832	4,689
Sedan	4,840	4,889	4,745
88 PONTIAC GRAND AM			
Sedan	6,343	6,406	6,214
87 PONTIAC GRAND AM			
Sedan	5,642	5,697	5,529
88 PONTIAC BONNEVILLE			
Sedan	8,390	8,474	8,223
87 PONTIAC BONNEVILLE			
Sedan	7,575	7,648	7,422
88 PONTIAC GRAND PRIX			
Coupe	7,639	7,717	7,493
87 PONTIAC GRAND PRIX			
Coupe	6,282	6,344	6,155
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,098	6,160	5,977
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,029	8,109	7,870
88 TOYOTA CRESSIDA			
Lux Sedan	12,427	12,550	12,179
87 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	4,686	4,733	4,594
87 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	6,793	6,861	6,657
87 TOYOTA CRESSIDA			
Lux Sedan	10,189	10,292	9,985
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,487	6,553	6,358
87 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,272	5,325	5,166
88 VOLVO			
240 DL Sedan	11,296	11,407	11,070
87 VOLVO			
240 DL Sedan	9,231	9,325	9,047

PRODUCTS

IMPROVE RECEPTION ON HAND-HELD PHONES with a new antenna from The Antenna Co. The NEC P-300 adaptor fits onto the P-300 custom-connector and improves reception for a hand-held phone user because it can be used with high-performance outside antennas with standard TNC connectors. The adaptor also allows test equipment to be connected to the P-300 so the phone performance can be measured and evaluated. *The Antenna Co.*

Circle 220 on Inquiry Card

ON SITE AUTO AND TRUCK MAINTENANCE SERVICE is listed in VehiCare's new brochure for corporate fleets. *VehiCare is Easy Care* describes the various services VehiCare franchises offer. *VehiCare.*

Circle 221 on Inquiry Card

GAS PRICES

UNLEADED GAS
Cost Per Gallon

City	Full-Serve	Self-Serve
Montgomery, AL	142.9 ¢	119.2 ¢
Phoenix, AZ	154.9	118.9
Pasadena, CA	157.8	120.1
Washington, D.C.	155.3	122.6
Tampa, FL	149.9	118.4
Honolulu, HI	193.4	152.5
Bangor, ME	141.2	128.9
Columbus, MS	127.5	116.9
Great Falls, MT	131.9	118.9
Farmington, NM	149.2	133.9
Cleveland, OH	164.5	129.0
Harrisburg, PA	150.0	122.2
Charleston, SC	122.5	111.9
Houston, TX	161.7	120.8
Ogden, UT	130.2	112.9

The average U.S. full-serve gasoline price for the month of August was 142.1 cents per gallon.
The average U.S. self-serve gasoline price for the month of August was 121.1 cents per gallon.
Survey conducted during the first five working days of August 1990.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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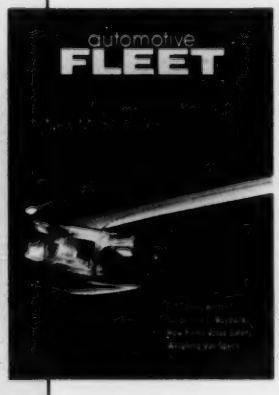

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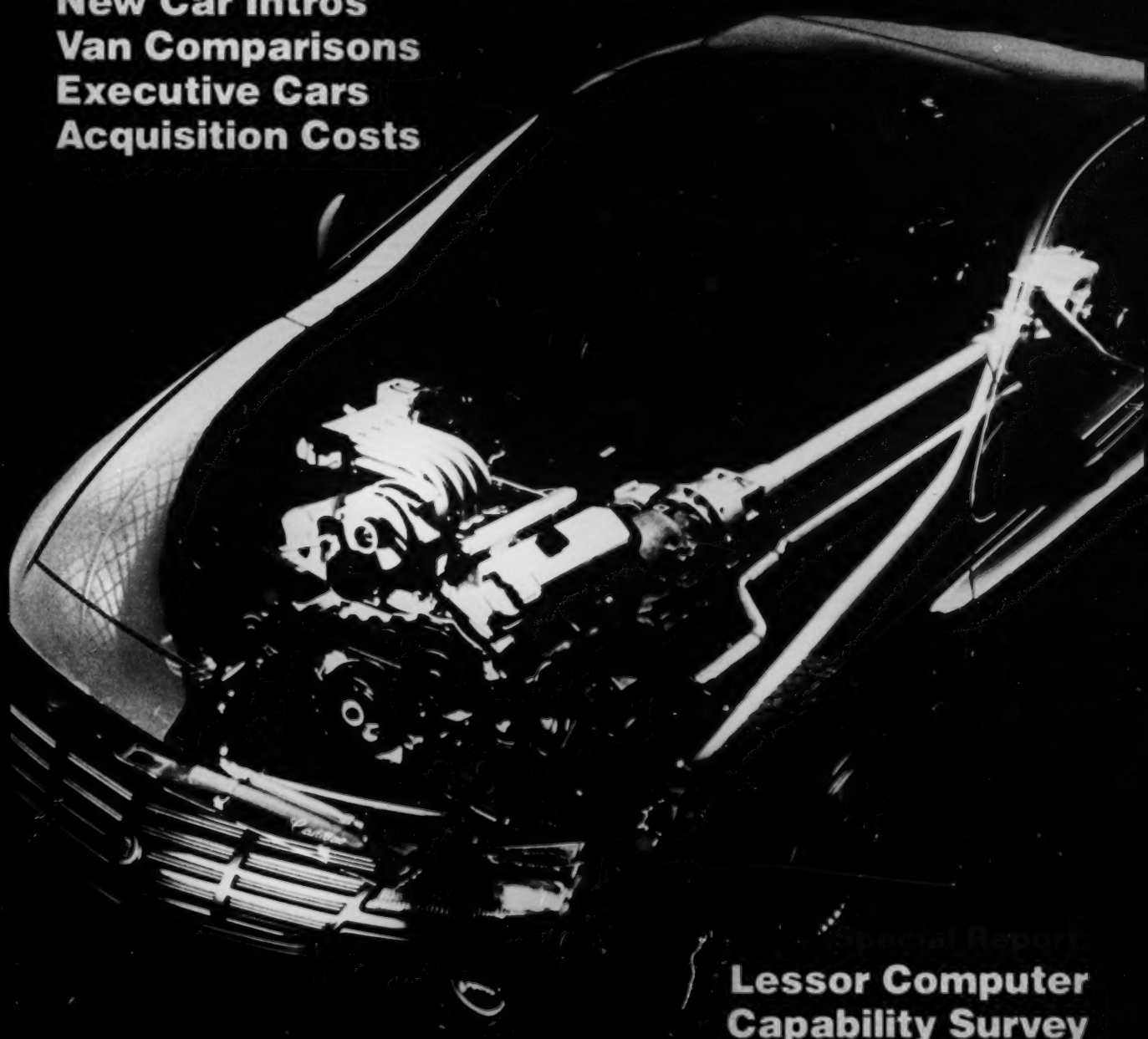
automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

1991 Model Year Analysis

New Car Intros
Van Comparisons
Executive Cars
Acquisition Costs



Special Report

Lessor Computer Capability Survey

automotive
FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

October 1990
VOL. 29, NO. 12

Influencing the management of 4,959,000 cars and 2,162,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.

Features

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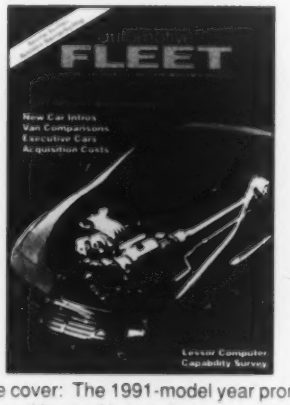

On the cover: The 1991-model year promises many exciting and innovative new vehicles for fleets to choose. Our story on the 1991 lineup begins on page 22.

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A model-by-model rundown, by class, of the new 1991 cars.

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America's Colors: Red, White, and...Black

White and red again emerged as the most popular colors for American automobiles. But black, which carries the suggestion of European sophistication, has made a surprising leap to the top, according to a study by DuPont.

White, red, and a new entrant to the top three, black, topped the American automotive color popularity charts in the 1989-model year.

"Since color popularity is evolutionary, we expected the leaders in 1988 — red and white — to place in the top again in 1989," says Robert S. Daily, color marketing manager for DuPont Automotive Products' Finishes Division, which conducted the study.

But the rapid emergence of black in 1989, especially in the sports/compact and light truck/van segments of the American automotive market, was much more revolutionary, says Daily.

"Consumers no longer envision black as funereal or sinister," he says. "Because of fashion influences, Americans are now viewing black as an acceptable hue carrying European sophistication with high-tech overtones."

In 1989, red again held the first-place position as the leading color choice for sports and compact cars with 19.1 percent of the segment. The second-place color, white, strengthened its position with a 17.6 percent share, followed by black, medium/dark blue, and medium/dark gray.

For light trucks and vans, white topped the list again with 16.5 percent of the market. Red remained in second place with 16 percent and black moved up to 11.7 percent, followed by medium/dark blue, and medium/dark red.

For 1989, white held up as the leading choice for both intermediate- and full-sized luxury cars, increasing its overall share to 19.5 percent. Medium red retained its second-place position while dropping to 12.7 percent, followed by medium gray, light blue, and silver.

"Based on our research, we expect to see lighter blues, teals, and rich reddish browns grow in popularity," Daily says, "while some of the popular colors of the mid-to-late 1980s, including silver and gray, move down the charts but remain staples of automotive palettes." AF

1989's Most Popular Colors

1989 Sports And Compact Car Colors

Color Family	% Popularity
Bright Red	19.1
White	17.6
Black	10.2
Medium/Dark Blue	9.0
Medium/Dark Gray	8.1
Medium Red	7.6
Light Blue	7.3
Silver	5.6
Bright Blue	5.4
Dark Red	4.9
Light Brown	3.8
Yellow	0.2
Other	1.2

1989 Luxury, Full- And Intermediate-Size Car Colors

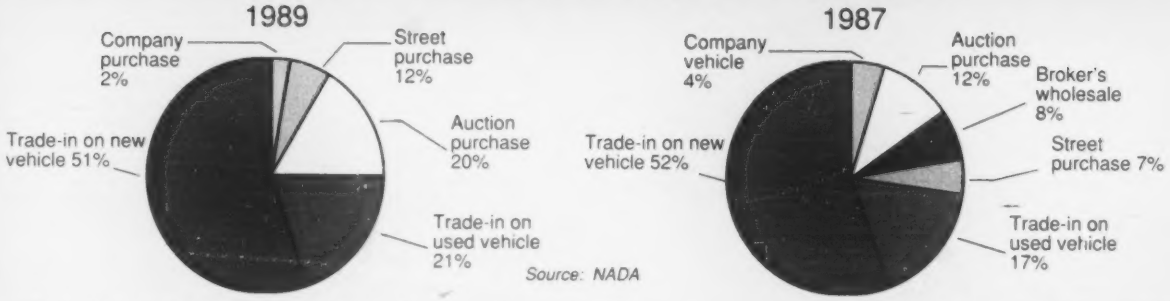
Color Family	% Popularity
White	19.5
Medium Red	12.7
Medium Gray	11.6
Light Blue	9.9
Silver	8.9
Dark Blue	7.8
Black	6.7
Medium Blue	5.3
Dark Red	5.1
Light Brown	4.4
Purple Brown	2.7
Bright Red	1.9
Beige	1.7
Medium/Dark Brown	1.3
Other	0.5

1989 Truck And Minivan Colors

Color Family	% Popularity
White	16.5
Red	16.0
Black	11.7
Medium/Dark Blue	11.6
Medium/Dark Red	9.1
Medium/Dark Gray	8.7
Light Blue	7.9
Medium/Dark Brown	5.1
Silver	4.3
Bright Blue	3.1
Light Brown	2.6
Beige	1.8
Green	1.4
Other	0.2

Dealers Ask General Motors To Treat Program Cars As New Car Sales

Source Of Used Cars Retailed By Franchised Dealers



Source: NADA

The National Automobile Dealers Association's request that General Motors credit the sale of used daily-rental cars as new-car sales has been rejected, according to Bob Ogden, general director of sales and dealer operations at GM.

"Used-car sales cannot be part of our new-car sales evaluation for many reasons," says Ogden. "GM has no plans to give new-car credit for near-new cars."

Dealers contend that "program cars" steal from new car sales. NADA's second Project 2000 report, released in August 1990, cites greater profits on the sale of program cars as one of several trends in the automotive industry.

Figures show that the average program vehicle has been in a rental fleet for four months and has accumulated a maximum of 15,000 miles.

Prior to GM's decision, NADA President Ray Green felt there was a good chance manufacturers would give dealers some credit on new-car sales for program-car sales. Green also felt that at very least automakers should treat program cars separately on the monthly financial statements that dealers submit to manufacturers.

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USED-CAR PRICES

The following are average used-car prices for the period ending September 1, 1990. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of *Automotive Market Report*.

89 BUICK SKYHAWK			
Coupe	6,390	6,456	6,264
Sedan	6,478	6,544	6,349
88 BUICK SKYHAWK			
Coupe	5,292	5,343	5,185
Sedan	5,366	5,418	5,261
89 BUICK SKYLARK			
Cust Sedan	7,431	7,503	7,280
88 BUICK SKYLARK			
Cust Sedan	6,311	6,376	6,188
89 BUICK CENTURY			
Cust Sedan	7,740	7,817	7,584
88 BUICK CENTURY			
Cust Sedan	6,249	6,314	6,127
89 BUICK LESABRE			
Cust Sedan	10,031	10,132	9,830
88 BUICK LESABRE			
Cust Sedan	8,275	8,359	8,111
89 CADILLAC DEVILLE			
Coupe	16,958	17,130	16,619
Sedan	17,142	17,313	16,802
88 CADILLAC DEVILLE			
Coupe	13,446	13,579	13,176
Sedan	13,603	13,739	13,330
89 CADILLAC SEVILLE			
Sedan	17,438	17,614	17,092
88 CADILLAC SEVILLE			
Sedan	14,391	14,537	14,104
89 CHEVY BERETTA			
Coupe	7,477	7,555	7,332
89 CHEVY CORSICA			
Htchbk 4 Dr	7,125	7,198	6,984
88 CHEVY BERETTA			
Coupe	6,131	6,193	6,011
88 CHEVY CORSICA			
Sedan	5,712	5,773	5,604
89 CHEVY CAVALIER			
Sedan	6,097	6,158	5,976
88 CHEVY CAVALIER			
Sedan	5,099	5,152	4,999
89 CHEVY CELEBRITY			
Sedan	7,215	7,287	7,070
88 CHEVY CELEBRITY			
Sedan	5,789	5,847	5,673
89 CHEVY CAPRICE			
Sedan	8,119	8,201	7,956
88 CHEVY CAPRICE			
Sedan	6,592	6,657	6,460
89 CHRYSLER LEBARON			
Highline Sedan	7,140	7,215	7,000
88 CHRYSLER LEBARON			
Sedan	5,693	5,752	5,581
89 CHRYSLER NEW YORKER			
Sedan	11,394	11,508	11,167
88 CHRYSLER NEW YORKER			
Sedan	9,628	9,725	9,437
89 CHRYSLER FIFTH AVENUE			
Sedan	11,571	11,690	11,341
88 CHRYSLER FIFTH AVENUE			
Sedan	9,453	9549	9,267
89 DODGE ARIES AMERICA			
Sedan	5,796	5,858	5,681
88 DODGE ARIES AMERICA			
Sedan	4,648	4,692	4,556
89 DODGE SHADOW			
Liftbk 5 Dr	6,116	6,177	5,993
88 DODGE SHADOW			
Liftbk 5 Dr	4,984	5,033	4,885
89 DODGE DYNASTY			
Sedan	8,692	8,779	8,518
89 FORD ESCORT			
Htchbk 4 Dr LX	5,269	5,320	5,163
88 FORD ESCORT			
Htchbk 4 Dr GL	4,170	4,211	4,085
89 FORD MUSTANG			
LX-4 Coupe	6,985	7,057	6,846
88 FORD MUSTANG			
LX-4 Coupe	5,802	5,861	5,685
89 FORD TEMPO			
GL Sedan 4 Dr	6,256	6,318	6,131
88 FORD TEMPO			
GL Sedan 4 Dr	5,157	5,209	5,053
89 FORD TAURUS			
GL Sedan 4 Dr	8,239	8,323	8,075
88 FORD TAURUS			
GL Sedan 4 Dr	6,645	6,712	6,515
89 FORD CROWN VICTORIA			
Sedan	10,772	10,884	10,557
88 FORD CROWN VICTORIA			
Sedan	8,837	8,924	8,659
89 THUNDERBIRD			
Coupe	9,765	9,861	9,569
88 THUNDERBIRD			
Coupe	7,933	8,013	7,774
89 LINCOLN			
Town Car Sedan	15,618	15,774	15,306
Continental Sedan	17,750	17,930	17,397
88 LINCOLN			
Town Car Sedan	13,177	13,310	12,914
Continental Sedan	15,615	15,770	15,303
89 MAZDA 626			
LX Sedan 4 Dr	9,509	9,605	9,319
89 MERCURY COUGAR			
LS Coupe	10,237	10,341	10,032
88 MERCURY COUGAR			
LS Coupe	8,395	8,479	8,226
89 MERCURY TOPAZ			
GS Sedan 4 Dr	6,411	6,474	6,283
88 MERCURY TOPAZ			
GS Sedan 4 Dr	5,241	5,291	5,135
89 MERCURY SABLE			
GS Sedan 4 Dr	8,279	8,365	8,117
88 MERCURY SABLE			
GS Sedan	6,781	6,846	6,643
89 MERCURY GRAND MARQUIS			
GS Sedan	11,317	11,434	11,091
88 MERCURY GRAND MARQUIS			
GS Sedan	9,462	9,556	9,272
89 MITSUBISHI MIRAGE			
Sedan 4 Dr	5,451	5,505	5,342
88 MITSUBISHI MIRAGE			
Sedan	4,149	4,192	4,066
89 NISSAN SENTRA			
Sedan 2 Dr	4,902	4,951	4,804
89 NISSAN STANZA			
E Ntch 4 Dr	8,162	8,246	8,000
89 NISSAN MAXIMA			
SE Sedan	13,525	13,661	13,255
88 NISSAN SENTRA			
Sedan 2 Dr	4,046	4,087	3,965
88 NISSAN STANZA			
E Ntch 4 Dr	6,613	6,679	6,481
88 NISSAN MAXIMA			
SE Sedan	10,457	10,561	10,247
89 OLDS CIERA			
Coupe	7,654	7,732	7,502
Sedan	7,740	7,817	7,584
88 OLDS CIERA			
Coupe	6,183	6,245	6,059
Sedan	6,249	6,314	6,127
89 OLDS CALAIS			
Sedan	6,812	6,880	6,674
88 OLDS CALAIS			
Sedan	6,267	6,327	6,141
89 OLDS CUTLASS SUPREME			
Coupe	8,299	8,383	8,135
88 OLDS CUTLASS SUPREME			
Coupe	7,309	7,385	7,166
89 OLDS 98 REGENCY			
Sedan	12,303	12,424	12,054
88 OLDS 98 REGENCY			
Sedan	9,864	9,961	9,664
89 PLYMOUTH RELIANT			
Sedan	5,769	5,827	5,653
88 PLYMOUTH RELIANT			
Sedan	4,672	4,717	4,582
89 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	6,116	6,177	5,993
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,980	5,029	4,881
89 PLYMOUTH GRAN FURY			
Salon Sedan	6,012	6,075	5,892
88 PLYMOUTH GRAN FURY			
Salon Sedan	4,935	4,985	4,835
89 ACCLAIM			
Sedan	6,904	6,973	6,767
89 PONTIAC SUNBIRD			
LE Sedan	6,343	6,407	6,217
SE Coupe	6,515	6,583	6,385
88 PONTIAC SUNBIRD			
SE Coupe	5,285	5,340	5,178
SE Sedan	5,357	5,408	5,250
89 PONTIAC 6000			
LE Sedan	7,438	7,512	7,288
88 PONTIAC 6000			
Coupe	5,900	5,960	5,784
Sedan	5,967	6,026	5,846
89 PONTIAC GRAND AM			
LE Sedan	7,478	7,553	7,326
88 PONTIAC GRAND AM			
Sedan	6,279	6,342	6,152
89 PONTIAC BONNEVILLE			
LE Sedan	9,688	9,786	9,495
88 PONTIAC BONNEVILLE			
LE Sedan	8,323	8,407	8,157
89 PONTIAC GRAND PRIX			
Coupe	8,511	8,595	8,338
88 PONTIAC GRAND PRIX			
Coupe	7,533	7,609	7,389
89 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	7,235	7,307	7,090
89 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	9,472	9,566	9,283
89 TOYOTA CRESSIDA			
Lux Sedan	14,913	15,061	14,615
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,068	6,129	5,947
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,029	8,109	7,870
88 TOYOTA CRESSIDA			
Lux Sedan	12,427	12,550	12,179
89 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,932	8,011	7,773
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	6,455	6,520	6,326
89 VOLVO			
240 DL Sedan	13,041	13,172	12,781
88 VOLVO			
240 DL Sedan	11,262	11,373	11,037

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Rockford, IL	151.5	134.2
Topeka, KS	143.4	126.8
Alexandria, LA	169.6	138.6
Detroit, MI	153.5	127.6
Bismarck, ND	158.4	135.9
Atlantic City, NJ	131.4	131.4
Staten Island, NY	144.7	128.9
Oklahoma City, OK	159.2	136.4
Johnson City, TN	160.9	131.4
Arlington, VA	151.4	126.7

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